

**THE EMPLOYMENT SITUATION: JANUARY  
1997 AND THE CONSUMER PRICE INDEX**

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**HEARING**

before the

**JOINT ECONOMIC COMMITTEE  
CONGRESS OF THE UNITED STATES**

**ONE HUNDRED FIFTH CONGRESS**

**FIRST SESSION**

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**February 7, 1997**

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## CONTENTS

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### OPENING STATEMENTS OF MEMBERS

Opening Statement of Representative Jim Saxton, Chairman . . . . .	1
Opening Statement of Senator Jeff Bingaman, Ranking Member . . . . .	2
Opening Statement of Senator Jeff Sessions . . . . .	2
Opening Statement of Representative Carolyn Maloney . . . . .	3
Opening Statement of Maurice Hinchey . . . . .	18

### WITNESS

Statement of the Honorable Katharine G. Abraham, Commissioner, Bureau of Labor Statistics Accompanied by Kenneth V. Dalton, Associate Commissioner for Prices and Living Conditions; and Phil Rones, Chief, Division of Force Labor Statistics . . . . .	4
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### SUBMISSIONS FOR THE RECORD

Prepared Statement of Representative Jim Saxton, Chairman . . . . .	33
Prepared Statement of the Honorable Katharine G. Abraham, together with Press Release No. 97-32 entitled, "The Employment Situation: January 1997," Bureau of Labor Statistics, Department of Labor, February 7, 1997 . . . . .	35
Letter provided to Senator Bingaman by Commissioner Abraham . . . . .	54
Letter provided to Senator Sessions by Commissioner Abraham . . . . .	57

**THE EMPLOYMENT SITUATION: JANUARY  
1997 AND THE CONSUMER PRICE INDEX**  
Friday, February 7, 1997

**Congress of the United States,  
Joint Economic Committee,  
Washington, D.C.**

The Committee met, pursuant to notice, at 9:33 a.m., in Room 1334, Longworth House Office Building, the Honorable Jim Saxton, Chairman of the Committee presiding.

**Present:** Representatives Saxton, Hinchey and Maloney, and Senators Bingaman and Sessions.

**Staff Present:** Christopher Frenze, Victoria Norcross, Mary Hewitt, Roni Singleton, Juanita Morgan, Colleen Healy, Amy Pardo, William Spriggs and Eric Mader.

**OPENING STATEMENT OF REPRESENTATIVE**

**JIM SAXTON, CHAIRMAN**

**Representative Saxton.** Good morning. It is a pleasure to have the opportunity to welcome Commissioner Abraham before the Joint Economic Committee (JEC) again. As I pointed out last month, the Bureau of Labor Statistics (BLS) is one of the most objective, professional, and respected statistical agencies in the world. I would also like to welcome the Ranking Minority Member, Senator Bingaman, who is on his way, and other Members of the Committee for taking time to be here with us this morning. I thank you very much. I look forward to working with the Senators and other Members of the House on the Committee on both sides of the aisle over the next two years.

The employment data released this morning reflects the continuation of the business cycle expansion that began in 1991. The unemployment rate was basically unchanged while the payroll employment numbers rose by about 271,000. The employment-population ratio also increased to a historically high level. Overall, the employment data released this morning are very welcome news. However, the BLS data released in the last month continued to show stagnation or even declines in middle class earnings, reflecting a problem that has persisted through most of the business cycle expansion since 1991.

Another important statistical series produced by the BLS is the Consumer Price Index (CPI). Last month, the Boskin Commission released its report on the CPI, and this report has generated much controversy. The final Boskin Commission report took about two years to complete, so there is no reason Congress should rush to implement its recommendations before carefully considering them.

Today, to date, the debate has been framed by the Boskin Commission report, but additional information and analysis are needed for balanced decision-making by the Congress. For this reason, I have requested an in-depth BLS study of the technical issues raised by the Boskin Commission. It is my hope that this BLS study could be completed by this summer. In fairness to BLS, and to the many millions of Americans that could be affected by the policy changes in this area, I would hope that Congress would receive and digest the forthcoming BLS study before hasty actions are taken.

If the Boskin Commission recommendations were implemented, about \$1 trillion of additional taxes and benefit restraint would result over the next 12 years. According to a JEC analysis, about 40 percent of the direct budget effects would result from tax increases primarily on middle class taxpayers. Congress must decide whether the policy mix resulting from a downward CPI revision is appropriate.

Finally, I would like to say that I look forward to working with my JEC colleagues on both sides of the aisle and with the BLS and other statistical agencies over the next two years during the 105th Congress.

I would now like to turn to Senator Bingaman and ask him if he has an opening statement.

### **OPENING STATEMENT OF**

### **SENATOR JEFF BINGAMAN, RANKING MEMBER**

**Senator Bingaman.** Thank you, Mr. Chairman. Let me join you in welcoming Commissioner Abraham and the other witnesses. I look forward to asking some questions about not only the information they released today and their interpretation of that, but also questions about the CPI issue. I think that is going to be a central issue in this Congress and one that we need to proceed with carefully in order to be sure that the integrity of our statistical gathering efforts in the Federal Government is not in any way jeopardized. So I appreciate the chance to be at this hearing and I look forward to asking some questions. Thank you.

**Representative Saxton.** Thank you very much, Senator Bingaman. Senator Sessions, do you have any comments at this time?

### **OPENING STATEMENT OF SENATOR JEFF SESSIONS**

**Senator Sessions.** I am pleased to be here and become involved in issues that are so important to our country. I think all of us have a responsibility to focus a lot of our attention on average working families, the men and women of this country who are struggling to do their best, and what we can do to make sure our governmental policies enhance their income so they are really better off today than they were before. I hope we can find a way to contribute, and I am happy to be here.

**Representative Saxton.** Thank you. Mrs. Maloney.

### **OPENING STATEMENT OF REPRESENTATIVE CAROLYN MALONEY**

**Representative Maloney.** Thank you, Mr. Chairman. I join you in welcoming our panel today, and I would like to say that since the last meeting of this particular Committee, the economy has continued to grow stronger and stronger, and a strong economy is the best way to offer opportunity to American citizens.

Today we will hear the January employment rate and report. I trust the news will continue to be good because this economy has already produced more than 11 million new jobs, held unemployment between 5.2 and 5.6 percent, and kept inflation low, averaging 3.6 percent in 1996.

This strong growth is reflected in many ways. New business and corporations are running at record highs, the highest since World War II. Job-creating exports have increased by one-third. Mortgage rates are at their lowest levels in 30 years, and the level of home ownership is at a 15-year high. The Federal Reserve's survey of family finances, which was released since our last meeting less than a month ago, shows that the disparity in assets between the rich and the poor is finally narrowing, mostly due to increased home ownership and retirement savings for blue collar and less skilled workers. This is more proof that the President's course of responsible deficit reduction and maintaining targeted investments is working.

While the asset gap may be closing, we need to focus, as my colleague mentioned earlier, more attention to the still too large wage

disparity. The President went before the American people last year to fight for an increase in the minimum wage, to take one small but an important step towards making sure that all working people earn a living wage. Effective October 1996, a modest 50-cent increase to \$4.75 an hour went into effect. Despite dire warnings about layoffs, teenage unemployment has been virtually unaffected. The seasonally adjusted employment-to-population ratio in October of 1995 for teenagers aged 16 to 19 years old was 43.6 percent; in October it was 43.8 percent; in November it was 43.3 percent; and in December it was 43.7 percent. Based on these results, I look forward to the second increase in the minimum wage in November of 1997.

I see I am joined by my colleague Maurice Hinchey. I congratulate him on his initiatives before this Committee, which I am sure he will talk about.

Overall I believe the economic news today will show a strong economy that continues to produce new jobs and is moving in the right direction.

Thank you, Mr. Chairman.

**Representative Saxton.** Thank you very much, Mrs. Maloney.

Commissioner Abraham, we will turn to you now for your comments.

**STATEMENT OF THE  
HONORABLE KATHARINE G. ABRAHAM,  
COMMISSIONER, BUREAU OF LABOR STATISTICS  
ACCOMPANIED BY KENNETH V. DALTON, ASSOCIATE  
COMMISSIONER FOR PRICES AND LIVING CONDITIONS; AND  
PHIL RONES, CHIEF, DIVISION OF FORCE LABOR STATISTICS**

**Ms. Abraham.** Thank you, Mr. Chairman, Members of the Committee. As always, it is a pleasure to be here to comment on the labor market data we have to release.

The unemployment rate was essentially unchanged in January at 5.4 percent. Nonfarm payroll employment, as you noted, increased by 271,000 over the month. A number of roughly offsetting factors influenced the payroll employment estimate. Heavy snows and resulting employment declines in January of 1996 affected our seasonal adjustment factors for this year, leading to an exaggeration of the

over-the-month employment gain in certain industries. On the other hand, employment was dampened in some sectors by bad weather this January, as well as by unusual movements in employment in several industries around the holiday season. The net effect of all of these special factors on aggregate payroll employment growth was small, although estimates for specific industries may be somewhat over- or understated.

The services industry added 167,000 jobs in January. This compares with an average monthly increase of 85,000 between May and December of last year. The January gain was boosted by an unusually large estimated increase, 82,000, in help supply services. Although there does appear to have been some genuine strength in this industry in January, the magnitude of the over-the-month employment increase was somewhat exaggerated by the special factors that I mentioned earlier. Elsewhere in services, health services added 43,000 jobs in January, nearly double the average monthly gain in 1996. Strong employment growth trends continued in January in computer and data processing services and in engineering and management services.

Employment in the transportation industry increased by 16,000 in January. The finance and real estate industries continued their growth pattern, while employment in insurance fell. Retail trade employment rose by 19,000 in January; this industry added an average of 50,000 jobs per month during 1996. The January weakness reflected a decline in employment of 29,000 in general merchandise stores, following a larger than usual holiday employment buildup in that industry.

In the goods-producing sector, manufacturing added 18,000 jobs in January and has gained 53,000 over the past four months. This growth follows declines totaling 319,000 factory jobs from March 1995 through September 1996. Within manufacturing, industrial machinery and equipment added 7,000 jobs in January, and motor vehicles added 6,000 jobs. Aircraft manufacturing continued its recent growth trend, and apparel continued its long-term downward trend.

Construction employment continued to increase, although January's gain was held down by frigid temperatures throughout much of the country and by ice and snow storms in the South, Midwest and Northern Plains.

Average hourly earnings of production or nonsupervisory workers in the private sector edged up one cent in January to \$12.06. This

follows gains totaling 15 cents per hour in the previous two months. Over the past year, average hourly earnings rose by 44 cents, or 3.8 percent.

Average weekly hours fell by 0.7 hour to 34.1 hours in January, reflecting unusually harsh weather conditions during the survey reference period. The decline was spread throughout every major industry, with a drop off of one hour in construction.

Turning now to our survey of households, the unemployment rate was essentially unchanged in January at 5.4 percent, and unemployment rates for the major demographic groups showed little or no change. Civilian employment increased by 430,000 after adjustment to our population estimates. The employment-to-population ratio edged up to 63.6 percent.

In summary, nonfarm payroll employment continued to expand in January, and unemployment was essentially unchanged.

I and my colleagues, of course, would be willing to answer any questions that Members of the Committee might wish to raise.

[The prepared statement of Commissioner Abraham and accompanying press release appear in the Submissions for the Record.]

**Representative Saxton.** Commissioner, thank you very much. It is always a pleasure to have you here, and it is particularly nice when you bring good news. I think both Republicans and Democrats today applaud not only you, but our economy for performing the way it is, so I am not going to spend a great deal of time trying to analyze these figures. Good news is good news, and we are pleased that we have been able to hear that.

I would like to turn to another issue which we discussed at some length during our last hearing, and that issue, of course, is the potential to revision of the Consumer Price Index, which has in economic circles been a subject of serious discussion over the past several months. As we all know, the Boskin Commission report was issued recently after that Commission took some two years to study the Consumer Price Index, to try and determine whether or not it was and is an accurate measure of inflation and price stability.

The Boskin Commission, as we all know, reported their conclusion, or conclusions, the most important, I believe, of which was that it is their belief that the Consumer Price Index may overstate the growth in inflation or the level of inflation by some 1.1 percentage points. Last

month I requested that the Bureau of Labor Statistics review the Boskin Commission report and review this subject and report to the Congress so that we have more than one vantage point from which to make judgments as to how we should proceed with regard to this issue. My hope is that the BLS study will be completed in the next few months, perhaps sometime this summer. Does this seem to be a reasonable time frame to you?

**Ms. Abraham.** We are, of course, more than happy to produce a report on these important issues, and we are happy that you are seeking our assessment of the Boskin Commission's report. I think we probably need to sit down with you and/or your staff to talk about what exactly you envision this report might encompass.

I have, as you know, had the opportunity to provide some reaction to the Boskin Commission's report in testimony before the Senate Budget Committee last week and will be testifying next week before the Senate Finance Committee, so we have had the opportunity to share some of our reactions to the report with Members of Congress in that format.

So I would like to sit down with you or your staff and talk about where you might like more information beyond what is contained in that testimony. And I think at that point it will be clearer what a reasonable time frame for producing the report you are looking for might be, although on the face of it, getting something to you certainly by the end of the summer ought to be realistic.

**Representative Saxton.** Thank you, and you have actually anticipated my next question. I was going to ask if you would be willing to confer with Members of the Committee and our staff with regard to the scope and dimensions of the study and subsequent report.

**Ms. Abraham.** I would like to do that so we are sure we are covering the things you are interested in hearing about.

**Representative Saxton.** Additionally, if hearings were needed to clarify the issues raised by the forthcoming BLS study and report, would you see any problem with having such hearings, perhaps subsequent to your issuance of the report?

**Ms. Abraham.** No. If the hearings would be useful in terms of clarifying the issues, we would be more than happy to come and talk about them.

**Representative Saxton.** The Boskin Commission report covered a number of major issues related to the CPI. Do you know whether,

offhand, all of those issues were covered in a previous report known as the Stigler report, which was issued in 1961?

**Ms. Abraham.** I think there has been some changes in the state of knowledge within the economics profession between when the Stigler report was issued and when the Boskin report was issued, and I refer in particular to some advances with respect to understanding and having an idea about how to measure the magnitude of the so-called substitution bias. So although the Stigler Committee's report did talk about the importance of having a market basket that was current and about the importance of thinking about consumers' purchasing decisions, I think because of the state of knowledge within the economics profession has moved forward since that time, the Boskin Commission's study of those issues was more focused.

A big part of the nearly two-thirds of the 1.1 percent that the Commission concludes represents the upwards bias in the CPI has to do with issues like changes in the quality of goods and services and how well those are taken into account, and that is an issue that was discussed at some length in the Stigler Committee's report.

**Representative Saxton.** Thank you.

Just one element of the Boskin Commission report which I find kind of intriguing is that the Boskin Commission report seems to have come up with a laser-like, pinpoint recommendation of 1.1 percent, and I am wondering, from your vantage point, even before you have an opportunity to conduct a study or even decide on the scope of the study, does that pinpoint 1.1 percentage point focus seem like something you will be able to come up with in the way of a recommendation as well, or should we be looking at a kind of range of dysfunction, if there is dysfunction?

**Ms. Abraham.** There are issues discussed in the Boskin report, and I am thinking in particular about a piece of the so-called substitution bias that they identify where I think we agree, and where I think we can pin down the magnitude of the discrepancy between the CPI and what a cost-of-living index would show. But when you get into talking about how well we are doing adjusting for changes in the quality of goods and services that people purchase, what issues there are associated with the way that we bring new goods into the Index, then the evidence on that is extremely sketchy, and although the Commission has made its best judgment on these issues, given the best evidence, it seems to me that

there is, in fact, considerable uncertainty about what the impact of all of those things on the CPI is. I have previously indicated that the evidence doesn't lead me to feel comfortable making a judgment about what the magnitude of any bias in the CPI arising from those causes might be.

**Representative Saxton.** Let me ask you one final question before turning to Senator Bingaman. As I indicated in my opening statement, it appears to me—and I just want you to respond to this, if you would—that we are talking about an adjustment in various programs that could amount in little more than a decade to about \$1 trillion in adjustments. My staff believes that about 40 percent of those adjustments would be increased taxes, and the balance of government adjustments, 60 percent, would be decreases in various benefits for things like social security and other Federal Government programs that depend on the Consumer Price Index for adjustment guidance from time to time.

In addition to that, as it has been pointed out to me during the past month or so, there are a whole variety of instances in the private sector, such as adjustments in mortgage rates and other types of contracts such as leases, which also depend on the Consumer Price Index, which have already been set in contractual form based on the current CPI formula. Do you think these issues are appropriate to be part of the study and the subsequent report?

**Ms. Abraham.** Well, our expertise really relates to the construction of the Index. It is rather outside our area of responsibility to be getting into looking at all of the different uses of the Index. I know that there are others who have looked at that over time. The Congressional Budget Office has made an effort to assess the impact of changes in the rate of growth on the CPI, on benefit payments, tax collections and so on. We don't have any particular expertise in that arena.

**Representative Saxton.** But it would be fair for—you are able to say that those kinds of changes in Federal programs, as well as in private sector functions, could be affected by the CPI in terms of those kinds of magnitudes?

**Ms. Abraham.** We, of course, have a general sense of the various ways in which the CPI is used and would be happy to try to lay some of that out, but in terms of forecasting, for example, what a change in the rate of growth of the CPI would do to social security outlays, that really is beyond our expertise.

**Representative Saxton.** Thank you very much.

Senator Bingaman.

**OPENING STATEMENT OF SENATOR JEFF BINGAMAN,  
RANKING MINORITY**

**Senator Bingaman.** Thank you very much.

Commissioner Abraham, as I understand Allen Greenspan's testimony this last week to the Finance Committee, he suggested the creation of a national commission that would create an alternate index to the CPI, suggesting that there needed to be a true cost-of-living index that we could look to for some of these functions that we are now using the CPI for.

Could you first give me your thoughts, explain your view, as to this distinction? I think you said in one of your statements a few minutes ago that the difference between the CPI and a true cost-of-living index is something you could calculate.

**Ms. Abraham.** We can calculate at least a piece of that. The CPI is tracking the cost of a fixed basket of goods and services. We know that if the relative price of things changes, if the price of apples goes up and the price of oranges goes down, that people may buy more oranges, and their standard of living doesn't necessarily fall as a result of that. There is a way to construct measures that take that sort of substitution behavior into account, and those are the alternative measures that I was referring to.

**Senator Bingaman.** Is that the same thing that Allen Greenspan is here referring to?

**Ms. Abraham.** No, that is not all of what he is referring to. He is talking as well about a whole set of things that he believes, consistent with what the members of the so-called Boskin Commission believe, that are important, but that were not able to be taken into account.

If you go into a grocery store, today there is probably a lot more variety in what you are able to purchase on the shelves. That is undoubtedly worth something to consumers. That is not something that, in constructing a price index where we are tracking the price of individual items and how those changes from month to month, that we are able to take into account in our index.

There are changes in the quality of services that people purchase that again it would be very difficult for us to take into account. The quality of medical care undoubtedly has improved in important respects.

Treatments are more likely to be successful. That is not something that we have a good way to take into account.

On the negative side, you often hear complaints about deterioration in customer service provided in retail establishments. That is also not something that we have any good way to take in account, and I think what Chairman Greenspan is suggesting is what the Congress might wish to do is to take a look at the measure we are able to produce, or have this independent commission take a look at that, take a look at what it is and what it is not, and on the basis of that make a judgment about whether indexation for various purposes ought to use the CPI or whether the CPI reflects judgments about these various things.

**Senator Bingaman.** Now, on the calculations that you do feel comfortable making, some of the Boskin Commission's concerns or suggestions, as I understood it, were based on the fact that you are not able, have not been able, to survey often enough and in a timely enough fashion, because you didn't have the budget to do it.

The Administration has requested some money to supplement your budget. Could you describe to us whether that is going to do the job? Can you go ahead and do what you need to do now, or does Congress need to give you even more money?

**Ms. Abraham.** Well, this budget proposal includes, I would say, request for funding to cover the cost of doing everything that we know how to do at this point in time to improve the Consumer Price Index. So the funding that we have requested is the first installment on what we hope would be a multi-year stream of funding, and the activities that we would envision carrying out with that funding are activities that would allow us when we update our market baskets to bring them in more quickly so that we would be more current, to do a better job of taking the observable, measurable characteristics of items into account and adjusting for that when we track their prices. It would let us set up a targeted program of identifying new goods when they came into the marketplace so that we could start pricing them promptly. We should probably be out there pretty soon pricing electric cars, for example.

**Senator Bingaman.** Is the budget—

**Ms. Abraham.** But there are a lot of things. The budget proposal asks for resources for us to do everything, I would say, that at this point we know how to do, but there are a lot of issues raised in the Boskin Commission's report that at this point we and economists, technical

experts more generally, simply don't know how to address, things like changes in the variety of items available to consumers, improvements in the quality of medical care that are very difficult to assess, that sort of thing.

So I would not want to suggest either that this is a complete solution to the issues that have been identified or, in all honesty, that giving us more money would let us get to a complete solution.

**Senator Bingaman.** So you are asking for as much money as you could usefully use?

**Ms. Abraham.** That is the way I would characterize it.

**Senator Bingaman.** Okay. And do you have any opinion as to the appropriateness of this alternative national commission being established that Allen Greenspan recommended?

**Ms. Abraham.** Clearly any, all of our economic statistics are in some sense artificial constructs, and the same is true of the Consumer Price Index. It does certain things, it doesn't do other things, and if Congress, looking at that, understanding and appreciating that, were to decide that it wasn't going to index things to the Consumer Price Index, it was going to, perhaps, based on the advice of an independent commission, use the CPI adjusted in some way for indexation purposes, that seems to me something that would be perfectly appropriate.

**Senator Bingaman.** So you do not have any problem with the establishment of a separate commission to determine whether some different measure is a better measure, as I understand your testimony.

**Ms. Abraham.** For the purposes that the Congress has in mind, I do not. We have a responsibility to produce the best possible Consumer Price Index we can and to be as clear as we possibly can about what it is and what it is not, and it is then up to others to decide whether and how it is going to be used. We have never pushed this forward as something people use for indexation purposes.

**Senator Bingaman.** That is all I have, Mr. Chairman. Thank you very much.

**Representative Saxton.** Thank you.

Senator Sessions.

**Senator Sessions.** Thank you.

I think we do have some good news here, and that is something in which I delight. In my home State, a number of people tell me that they

are looking for employees. I know in Montgomery, a manufacturing plant is sending out a bus to pick up people 40 and 50 miles away to get what they need. So that is good news.

I was curious though, for example, that the average salary for workers in the private sector only went up one cent, from \$12.05 to \$12.06, and that overall we are not showing the kind of increase in family income and wage income that one would expect in rising employment. Do you have any thoughts about that?

**Ms. Abraham.** Well, I guess my first thought is with this average hourly earnings series, it is probably better to take a little longer perspective than just one month, because those numbers do move very erratically from month to month, taking a little bit longer perspective on that which covers production or nonsupervisory workers, about 80 percent of the workforce. Over the past year that hourly earnings number has gone up about 3.8 percent. Average weekly earnings have gone up by a bit more, 4.7 percent, if I remember correctly.

**Senator Sessions.** Why would you separate manufacturing?

**Ms. Abraham.** No, average hourly earnings have gone up 3.8 percent, but the number of hours people work have gone up as well, so if you look at their average weekly pay, it has gone up by a little bit more.

**Senator Sessions.** Fundamentally we can say there continues to be a stagnation in wages and income for the average worker.

**Ms. Abraham.** If you take an even longer perspective.

**Senator Sessions.** That is seven or eight years..

**Ms. Abraham.** Seven or eight years, and assuming the Consumer Price Index is the right deflator to get from nominal numbers to a real number, real earnings have been relatively stagnant for quite a long period of time.

**Senator Sessions.** We were talking about the Consumer Price Index. I was thinking about the quality and cost of education. This gets to be a very complex matter. Children have better dorms. They have computers and televisions when they go to college now, that is all part of an increasing rate, but it doesn't necessarily increase the quality of their education.

I had one of the most wonderful professors in the world. We were in the basement next to the heating system, but a great deal of learning took place there. That is what education is all about.

I know it is difficult to come up with numbers on this, and I don't know how you do it, but I do have a question on this subject. We are seeing increasing numbers of people with educational degrees and backgrounds, but we are not showing growth in wages. Do you think there is anything unusual about that? Would you comment on that?

**Ms. Abraham.** Boy, that sounds like something someone could write a dissertation on and probably has.

With respect to tracking what is happening to the quality of education, we are really not, in our procedures, doing anything that would get at that directly. We are tracking the costs of college tuition, and that shows up in our market basket in proportion to the percentage of people's outlays that represents, but we are not doing what your comments might suggest we would be interested in trying to do.

**Senator Sessions.** Has there been any analysis, or do you have any team or staff that is analyzing this phenomenon of increasing employment and some growth in the economy and the apparent increase in education, and still not a lot of increase in income? If so, I am new to the Committee, and I would kind of like to be privy to that information.

**Ms. Abraham.** We have done some looking at the earnings of people with different educational levels, and there has been a very clear pattern that began in the late 1970s, early 1980, of increasing disparity in earnings of people with more education and people with less education. So if you are a highly educated worker, depending on the precise group that you are looking at, you may well have experienced some wage gains. If you are a worker with less than a high school education, you on average are earning a lot less than someone with the same amount of education would have earned 10 or 15 years ago. So just looking at the average wage doesn't tell you, I think, the whole story.

**Senator Sessions.** One more question. I know that various agencies in the Department at various times have needs for additional resources. It may well be that your Department needs additional resources now because we are focusing on some major decisions to be made concerning this Nation's economic direction, and your numbers will play a big role in that.

Have you discussed with the Secretary the possibility there may be other departments or agencies in the Department of Labor that may not be as productive or as important at this time, that could take some reduction? Have you discussed the possibility that we don't need to just increase funding to this department until we have analyzed what else might be cut?

**Ms. Abraham.** We did discuss with Secretary Reich prior to his departure our sense about the importance of the activities in which we are engaged, and I am happy to say that he was very supportive of our getting the resources that we need to do our work. I did not, to be honest, frame the discussion with him in quite the way you have suggested.

**Senator Sessions.** Well, I think that is what happens in the private sector, and that is why it is so productive. In government, we never really confront the programs that are less productive, except when we have a crisis. We do better many times, I think, to evaluate our budget and see what we need to do with regard to funding.

**Ms. Abraham.** I don't feel like I am in a position to make those judgments.

**Senator Sessions.** That is all I have.

**Representative Saxton.** Thank you, Senator.

Mrs. Maloney.

**Representative Maloney.** Thank you very much.

I would like to go back to Senator Bingaman's question and just get a clarification. Do you think that a national commission would actually produce a more technically accurate estimate of inflation than the Bureau of Labor Statistics? Do you think that they would create a better —

**Ms. Abraham.** Well, if what you are talking about is technical measurement issues and do I think that a national commission would do a better job at designing procedures for producing a Consumer Price Index, we obviously always can benefit from outside advice, but basically my answer would be no.

I think we do a very good job, within the limits of our resources, at designing and applying the best possible procedures for measuring what it is possible for us to measure. Therefore, however, at the same time, things that I don't think we know how to measure, things like the value of the improvement in the quality of medical services that we have experienced, the value or cost of deterioration in the quality of service in

the retail sector to the extent that that has occurred, it may be that you decide that it made sense to have judgments made about those things that we are telling you we don't know how to measure.

I don't think that a commission would produce a technically superior price index. It might be that a commission could provide valuable advice about how the best technical measure we are able to give you meets or doesn't meet your needs.

**Representative Maloney.** As you mentioned, you said you were coming up with the best estimate within the budget that you are given. Do you think we are somewhat penny wise and pound foolish, so to speak, in failing to allocate enough to statistical research and improvements to ensure that we are producing the most accurate economic measure?

**Ms. Abraham.** I think that there are some important things that we could do to improve our measure if we were to receive the resources that we have requested in our budget proposal. So some additional resources would be helpful, and we could make, I think, extremely constructive use of those additional resources. But I don't think that money is the whole issue.

**Representative Maloney.** I just — I would just like a clarification why we need another commission. Why can't we just give you the resources and expand possibly the area that you are looking at. You said, to use your own words, you have artificial constraints in coming up with certain conclusions, but any commission or board is going to have the same type of constraints. So my question comes back to why do we need another commission if we were going to expand and review and look at better ways for statistical research and expand the components of it? Why not just expand your role and give you the tools to get the job done?

**Ms. Abraham.** I should be clear. I am not an advocate or otherwise of the idea of setting up a commission. In my comments I was intending only to say what I thought it was that Chairman Greenspan was talking about. I am not advocating that you do this.

The only point that I would make is that there are going to be limitations of the measures that we produce. We are in the business of producing measures using procedures that we can clearly specify in advance that produce reproducible results. There are things that we know we don't know how to measure, and if you and other Members of Congress were to make a policy judgment that you would like some

advice on how you should think about that, I don't have a problem with that.

**Representative Maloney.** Okay. Many of the recommendations of the Boskin Commission are really based on research that was actually done by the Bureau of Labor Statistics.

**Ms. Abraham.** A great deal of it.

**Representative Maloney.** To what extent are the Boskin Commission recommendations different from the Bureau of Labor Statistics' own conclusions?

**Ms. Abraham.** The report actually contains relatively few specific recommendations about things they think we should implement in terms of how we produce the CPI. There is a recommendation about the way we construct the details of indexes of the CPI that we are evaluating. Then there is a recommendation that we look at seeing whether we can move our monthly measures closer to being like these other measures that we can produce only with a lag that take substitution bias across the various categories into account. But when the Commission gets to talking about bias related to the way we handle goods and services, new goods that come on the marketplace, the report talks about bias that the Commission believes exists in our current measures, but by and large, they are not saying, and to fix those problems, you should do it this way. There is relatively little in the way of recommendations about how we ought to change our procedures. So there is a problem that the Commission believes exists that is identified, but they are not giving us recommendations about how we should fix the problem.

**Representative Maloney.** Well, do you have any ideas of your own on how we should fix the problem, and if so, what are they?

**Ms. Abraham.** I do have some ideas about how we might proceed. We clearly could do a bit more with — explicitly, particularly in the high tech goods area—accounting for changes in the characteristics of items that people are purchasing.

We have made some changes effective with the data for January in the way that we track hospital prices. In general, we could do a better job than, I think, we have done in the past in a targeted way, trying to identify new goods when they come available, and starting to price them promptly so if it is the case that prices start out high when a new good comes into the market and then drop, we pick that up. We are already

doing those things, or have things in progress to do those things, or would be able to do them if our budget request was approved.

Beyond that, I think making progress is going to be slow. We don't have tools at our disposal for fixing these problems and may never have tools at our disposal to fully address them.

**Representative Maloney.** Well, I think we maybe should give you the tools to address them.

**Ms. Abraham.** I am perhaps not being very clear on this. I think that it may not be possible to design the tools. And let me just give you an example —

**Representative Maloney.** So if you couldn't design them, then a commission couldn't design them.

**Ms. Abraham.** I think that is probably correct.

**Representative Maloney.** Well, my time is running out. I would like to return if I could, Mr. Chairman, to my favorite area, which is female employment.

What was the female employment-to-population ratio in January of 1993, or around that area, and what is the female employment-to-population ratio today?

**Ms. Abraham.** My colleague Phil Rones is probably going to be able to lay his hand on those figures more promptly than I am.

**Mr. Rones.** Okay. The ratio that we are showing for January of 1997 was 57.6, and this is for women age 20 and over. If we go back 3 years, let's say, it is 55.8, and that is part of a long-term trend that goes back as far as our data go back, into the late 1940s.

**Representative Maloney.** Has the share of women with jobs ever been higher?

**Mr. Rones.** No. This is about as high as it has ever been.

**Representative Maloney.** So in other words, we have the highest level of female employment ever, and it has occurred during the Clinton administration. Is that a fair statement?

**Mr. Rones.** Right, both the highest level and the highest ratio to their population.

**Representative Maloney.** Thank you. That is good to hear.

**Representative Saxton.** Thank you, Mrs. Maloney.

Mr. Hinchey.

## OPENING STATEMENT OF MAURICE HINCHEY

**Representative Hinchey.** Thank you, Mr. Chairman, and good morning, gentlemen, Commissioner.

Just one question on the Boskin Commission report. We are all here and all interested in the best information we can get, particularly in an area that relates to how we measure inflation and all that that portends for the economy.

It would seem to me, based on how you have responded to previous questions, that the economy has just become more complex and more heavily nuanced, and the CPI figure as it is presently configured doesn't accurately reflect the rate of inflation in the economy. But if you were given the budget increase that you have asked for, you would be able to more accurately produce numbers taking into consideration those subtleties, a number that more accurately reflects the cost of living so that the Congress might take appropriate action based on that new and better information. Is that essentially correct?

**Ms. Abraham.** There clearly are issues about the number that we currently produce. I don't know that it is far off, but there are a variety of issues about it that have been properly raised. Clearly with the additional resources we have requested, we would make important improvements in our procedures.

**Representative Hinchey.** That is important, I think. It may not be that the numbers you are producing now are far off, but there are other things in the economy that maybe ought to be taken more accurately. They may produce the same number that you are producing now.

**Ms. Abraham.** They could.

**Representative Hinchey.** And that budget request that you are asking for would enable you to do that and produce what you would regard and what we would regard better information, more accurate information.

**Ms. Abraham.** Yes.

**Representative Hinchey.** More reliable.

**Ms. Abraham.** Yes.

**Representative Hinchey.** With regard to the increase in employment, it is a significant increase over a one-month period, but I notice 82,000, roughly one-third, if my math is correct, was increase in

employment in the job supply sector or temporary services sector; is that right?

**Ms. Abraham.** That is the number we reported. That number is probably a bit exaggerated by the adjustments that I alluded to.

**Representative Hinchey.** The 82,000 is probably a bit exaggerated?

**Ms. Abraham.** Probably, because of the difficulties in seasonal adjusting.

**Representative Hinchey.** How much of an exaggeration would you say it is?

**Ms. Abraham.** Oh, I don't have a hard figure on that, I am afraid. Phil, do you have any rough sense of that?

**Mr. Rones.** A rough sense would probably be about 20- to 40,000. We do believe there was some real strength in the temporary help industry that the survey is picking up, but it is probably exaggerated because of some of the inputs into the seasonal adjustment process.

**Representative Hinchey.** 20- to 40,000 exaggeration. You mean the number is exaggerated by a third to a half?

**Ms. Abraham.** Yes.

**Representative Hinchey.** Well, no wonder there is some concern about the accuracy of the information. I think that is an important number. If it is true that the number of jobs that have been created in this 1-month period, one-third of those jobs are in the temporary services or help supply sector, that would add fuel to the concern about the disassociation between work and benefits, work and health care, things of that nature. So if that is the kind of phenomenon we are seeing in our employment growth, then that is of concern. But if the number is exaggerated by a third to a half, then obviously we shouldn't have that concern.

**Ms. Abraham.** There is also an issue with focusing too hard on the number for any one month. If you look at the numbers for any month, we are trying to extract out of the raw data that part we are seeing that is just due to normal seasonal fluctuations and that part reflecting underlying trends, and in a month like January where in the ordinary course of events we expect total nonfarm employment on a not seasonally-adjusted basis to drop by, round numbers, 2-1/2 million, getting that exactly right is difficult.

It is probably more illuminating for getting at the kind of thing that you are talking about to take a little bit longer perspective, and if you take a bit longer perspective, these month-to-month issues are no longer so important.

If we look back at what has been happening to employment in the help supply services industry, which is principally temporary help agencies, over the past year, for example, employment in that industry has risen by about 240,000; 239,000, if I have done my math right. So we are seeing over a longer period of time increases in the employment in that industry.

**Representative Hinchey.** Two hundred forty-nine thousand is what percentage of the employment increase in that period?

**Ms. Abraham.** Two hundred forty thousand overall. Employment was up by something less than 10 percent.

**Representative Hinchey.** I am sorry?

**Ms. Abraham.** Something less than 10 percent.

**Representative Hinchey.** Something less than 10 percent.

**Ms. Abraham.** Of the increase. About three million total increase this employment over that period roughly.

**Representative Hinchey.** So this number would then seem to be exaggerated or, if not exaggerated, a temporary phenomenon that doesn't reflect the overall circumstance?

**Ms. Abraham.** That is over a longer period. It has been a significant proportion of employment growth but nowhere near as big as the one-month's numbers would suggest.

**Representative Hinchey.** As you know, Commissioner, the Congress increased minimum wage, signed in legislation. We now have, in effect, a slight increase in the minimum wage. It is part of a two-part effort, the second piece of which will fall into place this coming fall.

Have there been any—I would be interested in hearing your observations about the effects of that increase in the minimum wage. Has that resulted in a decline in employment?

For example, during the course of the debate that an increase in the minimum wage would cause a fall-off in employment, that employers would hire fewer people and that particularly in the area of teenage employment or employment of younger people that they would be adversely affected by the increase in the minimum wage.

Do your numbers reflect that? They don't seem to if I am reading them correctly.

**Ms. Abraham.** I know that Mr. Ronces and his staff have looked at some of the data trying to see whether there was anything that jumped out at them. Maybe you could comment on that, Phil.

**Mr. Ronces.** One thing that we have to take into consideration is that we are in a period where we have generated very substantial job growth. So of course that is always very helpful when you raise the minimum wage.

But overall, if you look at the employment population ratio of teenagers, and I believe that was brought up earlier, we have 43.1 percent this month in January. That is quite similar to what we have been experiencing over the last few years. So there is nothing obvious in our data that would show a disemployment effect to that particular group.

**Representative Hinchey.** Let me just ask you this final question with regard to hourly wages. We have seen over the last 20 years, and I think it has been well documented, a stagnation or in many cases in many sectors of the economy a decline in hourly wages and, therefore, the standard of living among large sectors of the economy. In a recent report that seemed to be reversed. Or not reversed, but it seemed to have gone in the opposite direction.

My question is, do you see any trends? Are we continuing to experience a decline in that area or has that leveled off? Do you see any indications that it might be going up?

**Ms. Abraham.** Again, maybe I could ask Phil, who has the most recent data readily available, to handle the comment on that.

**Mr. Ronces.** We have data from both the establishment survey and the household survey on earnings, and both of them show that earnings increased over the last year, and, for instance, are basically in line with the Consumer Price Indexes that are used to deflate them. So if anything, we would say real earnings on an hourly basis are fairly flat.

**Representative Hinchey.** Thank you very much. Thank you, Mr. Chairman.

**Representative Saxton.** Commissioner, let me just return to a CPI question for one quick clarification. You brought up something this morning in questioning with Senator Bingaman that really intrigues me, and that is how we measure cost-of-living adjustments while taking into

consideration new products and services. And if you can help me by just defining that process, I would appreciate it.

The example that come to my mind is this: everybody knows today that it costs more to go to the doctor for various types of treatments. A few years ago, when someone injured a leg and they wanted to determine the nature of the injury, they would go to the doctor and the doctor would send them next door for an X-ray. Today, when that same person goes to the doctor, not only does the doctor send them next door for an X-ray, he sends them next door for an MRI as well.

Now, the cost of that current procedure is many times the cost of the former procedure. And so, in a real sense, the cost of being injured and getting well is much higher than it was previously. And yet you are not really buying the same thing. How does that factor into the CPI process, calculation, formula, whatever the correct term is?

**Ms. Abraham.** Not very well is the short answer, but perhaps I should elaborate a little.

With respect perhaps not to our current procedures but to what our procedures will look like going forward since we have just made an important change in them, what we are doing now with respect to pricing hospital services in particular is going in, taking a patient bill, identifying the relevant components of that, and then coming back periodically to the hospital to see what has happened to the cost of providing the same bundle of services to a patient who comes in for a hospital stay. And the example that you are giving, if we concluded that the standard treatment for someone coming in with a particular problem had changed in some way, we could reflect the cost of what had happened to the cost of that treatment. But figuring out whether, for example, there really is value added in terms of the likely prognosis for a patient receiving the new treatment versus the old treatment, we don't have a good way of doing that.

So you know, even with the recent improvement in our procedures, we are not going to do a very good job of tracking that, and this is the arena in which I do think you get into having to make some judgments about what the data do and what they don't, and there are a variety of judgments there in terms of how the data ought to be used.

There is a judgment about what the value of the improvement and the quality of the service is given that we can't measure that in a quantifiable, objective fashion. There is a judgment about how from a

policy point of view you want to view the fact that if somebody comes in for treatment and they are getting something better but they also have to pay more for it and don't have the choice perhaps of buying the older, less good treatment, how you as a policymaker want to compensate or not compensate for that in your index's formulas. So there is a whole set of judgments that really lie outside of the technical construction of the index for which we are responsible.

**Representative Saxton.** I am not sure whether to ask you if the solutions to these problems are difficult or impossible.

**Ms. Abraham.** To be honest, it is my view that complete solutions to all of them probably are impossible, but there are others who may be more optimistic than I am.

**Representative Saxton.** Thank you. Senator.

**Senator Bingaman.** Thank you.

Let me ask about this line of questioning about wages. You indicated, I think a couple of you indicated, that wages are stagnant, continue to be moving up about the same amount as the Consumer Price Index and, therefore, there is no real improvement in wages that can be reported. Is that accurate?

**Mr. Rones.** Yes, that is.

**Senator Bingaman.** Do you have figures there about the other benefits, particularly health benefits and pension benefits, that employees receive and whether or not those are holding their own or whether there is a long-term trend of decline in benefits?

**Ms. Abraham.** Most of our compensation statistics refer only to wages, but we do have one source of information on what is happening to benefit cost. Our employment cost index program collects information both on wages and salaries and on benefits. The nature of that employment cost index measure is it is designed to track what is happening to employers's labor costs. So it holds constant the industry and occupation mix of employment so it is a good indicator of what is happening to employers costs, not what is happening necessarily to the average worker, if I could make that distinction.

What we have seen in that series is a study in continuing deceleration in the rate of growth of benefit costs.

**Senator Bingaman.** You may have a deceleration in the rate of growth.

**Ms. Abraham.** Uh-huh.

**Senator Bingaman.** Is the rate of growth benefit cost above the CPI or below the CPI?

**Ms. Abraham.** No, it is below the CPI and below the rate of growth with wage cost.

**Senator Bingaman.** So even though wages are growing at the rate of the CPI, benefits are growing at a slower rate and are decreasing — I mean, as the rate of growth of benefits is decreasing overtime; is that true?

**Ms. Abraham.** Over a period of a number of years, it has decreased substantially. It is about the same as of the last year as the year before.

**Senator Bingaman.** But over a number of years, you say it has decreased substantially?

**Ms. Abraham.** Yes, that is correct. The rate of growth of benefit costs has moved from being considerably higher from the rate of growth of wages to being lower to the rate of growth of wages and that reflects the decline of rate of growth of employer-provided health care costs.

**Senator Bingaman.** And the decline of rate of growth of health care costs that you are talking about, over this period of years, is probably more a reflex of how much employers are contributing to health care costs of their employees rather than it is the fact that health care costs themselves are declining? Is that right?

**Ms. Abraham.** It reflects a variety of factors. Declines in employer contributions are a factor but not the only factor in that decline. We do have a report that we prepared as part of our report on the American work force a little over a year ago that looks at this in some detail. I would be happy if you would be interested to provide a copy.

**Senator Bingaman.** I would like to see that.

Does it also have anything about pensions? I am working with Senator Jeffords on a bill that is trying to expand pension coverage, and my impression, from the statistics that I have seen, is that there has been a decline in the number of employees who are working toward earning a pension in the private sector, and that decline has been occurring for some time.

Do you have anything in this report or any other reports you have done that supports or contradicts that?

[Letter provided to Senator Bingaman by Commissioner Abraham appears in the Submissions for the Record.]

**Ms. Abraham.** My recollection of the statistics is that the big thing that has gone on is a shift out of defined benefit plans where people are entitled to payments based on their earnings history, some fraction of their last few years of earnings, that sort of thing, and to define contribution plans like 401(k) plans. We are working again on a report on that whole set of issues and what the data show. That is scheduled to be part of our next report on the American work force. I would be happy to share —

**Senator Bingaman.** So when will that be?

**Ms. Abraham.** It is scheduled to come out on Labor Day this year.

**Senator Bingaman.** Okay.

**Ms. Abraham.** It may be that we have some information that we could send you up before that time.

**Senator Bingaman.** Yes, if you could get me any information you have at this time that would be very useful.

[Letter provided to Senator Bingaman by Commissioner Abraham appears in the Submissions for the Record.]

**Ms. Abraham.** I would be very happy to do that.

**Senator Bingaman.** Thank you, Mr. Chairman.

**Representative Saxton.** Senator Sessions.

**Senator Sessions.** The apparel industry is important to my State and you note that it is continuing to decline. Do you have any estimate of, for the last months, the employment status of the apparel industry? Any figures over a more extended period of time?

**Ms. Abraham.** I do. And let me find those.

Employment in the apparel industry has been on a fairly steady decline. Over the past six months employment in the apparel industry has gone down by about 24,000. But looking back over a substantially longer period of time, dating to January of 1994, employment in the apparel industry was 969,000. And four years later, this past month, it was 815,000. So we have seen a decline of employment over that four-year period of about 150,000. And just looking at it month by month, it is a fairly steady pattern of decline over the last two years of that period, rather.

**Senator Sessions.** It does appear that of the increase in employment that you have noted here, less than 10 percent of that came from manufacturing. Is that correct?

**Ms. Abraham.** Yes.

**Senator Sessions.** And over the past 12 months, what percent would be in the service producing area of the increase? Do you have those handy?

**Ms. Abraham.** As has been true for quite a long time, the bulk of employment growth is in the service producing sector. Over the last 12 months, it was 91 percent in the service producing sector, which is pretty consistent with what we have seen.

**Senator Sessions.** Let me ask you, if a person picked up another job in addition to the one they previously held, how does that appear in the payroll measure of employment?

**Ms. Abraham.** It shows up as another job. In the household survey, it wouldn't add to the number of employed people. But in the payroll survey, it shows up as another job.

**Senator Sessions.** But it would add to household income?

**Ms. Abraham.** It would add to household income. It would add to the so-called multiple job holding rate, which is something that as of January 1994 we started tracking.

**Senator Sessions.** How has that gone, the multiple job rate?

**Ms. Abraham.** Well, we have only sketchy data on that for periods prior to January 1994. Compared to the 1970s, for example, that multiple job holding rate is up a bit, maybe a little bit higher today than it was in January of 1994. I am correct; it is about the same as it was in January 1994.

**Senator Sessions.** It seems to me that household income would be greatly affected by the number of persons in the household if we are having households that are smaller than we had 20 years ago.

Do you have an average? Do you vary it based on the size of the household or do you use a statistical factor?

**Ms. Abraham.** We don't, in fact, produce statistics on household income. Those are produced by the Bureau of the Census. But we do have information that I would be happy to get from them and provide to you on what has happened to household income. And I know there have been efforts to try to take the change in household composition into

account and figure out what that is doing to those numbers, and I will be happy to get you information on that.

**Senator Sessions.** I think about the tax credit for families with children. If a family had two children, it would almost be \$100 a month tax-free extra income. That kind of infusion of cash into families would, in fact, make the numbers jump a bit; would they not? That would be a statistically significant increase.

**Mr. Rones.** Well, income is measured before taxes, so that really in that calculation the change that you are talking about wouldn't have any effect.

**Senator Sessions.** You are measuring income before taxes. It couldn't count on tax increases and so forth so it would underestimate the impact if you had an extra hundred dollars as a tax credit that was tax free, in effect, for a family?

**Mr. Rones.** You wouldn't see it in the income figures necessarily; you would expect to see it in the expenditure figures perhaps.

**Ms. Abraham.** That is something we would also be happy to try to get information on as far as how that would be treated and how it would show up.

**Senator Sessions.** I will ask one more question. Does the CPI deal with the situation in which new surgical procedures, for example, a gall bladder operation, a person may get out of the hospital in half the time he would have stayed otherwise without the new techniques and advancements?

[Letter provided to Senator Sessions by Commissioner Abraham appears in the Submissions for the Record.]

**Ms. Abraham.** Prior to January, the answer to that would have been no. With the new procedures that we have put in place, we should going forward be able to take that kind of improvement in quality into account. The fact that you only have to be in the hospital for a day and only are paying for a day of hospital services would be something that we anticipate we will be able to take into account.

**Senator Sessions.** That is an important question the Chairman asked about the leg that may heal much faster and may have a lot more use with the new techniques that are more expensive.

**Ms. Abraham.** To the extent that you have to spend less time in the hospital, we can take it into account. To the extent that you are back

playing soccer sooner than you would have otherwise, we are not going to pick that up.

**Representative Saxton.** Mr. Hinchey, do you have a final question?

**Representative Hinchey.** Thank you, Mr. Chairman.

The economy in the last quarter grew at a remarkable rate of 4.7 percent. What was the reason for that rate of growth in that quarter?

**Ms. Abraham.** I am afraid that that has not—

**Representative Hinchey.** I am sorry?

**Ms. Abraham.** That is not a question that I am really—

**Representative Hinchey.** You couldn't answer?

**Ms. Abraham.** Other than in an accounting sense, and I don't think that is what you are asking.

**Representative Hinchey.** The overall growth in the economy last year was in the neighborhood of 2 percent; is that correct? Do you know? You don't have that?

**Ms. Abraham.** I have those figures here somewhere but—I am willing to take that as sounding right.

**Representative Hinchey.** Okay. Well, assuming it grew at the rate of 2 percent over the course of the year and wages stayed fairly flat, as I understand it, based on your previous answer to another question?

**Ms. Abraham.** In real terms, where what I mean by real terms is adjusting the change in nominal wages for the change in the Consumer Price Index.

**Representative Hinchey.** Say that again, please.

**Ms. Abraham.** Nominal wages, just dollar wages went up at about the same pace as the Consumer Price Index was rising, and it is in that sense that I would say that in real terms they didn't change much.

**Representative Hinchey.** Thank you very much. Thank you.

**Representative Saxton.** Thank you very much.

I think we have run out of questions. I am sure you are sorry to hear that. We thank you for being here. This is always informative and a pleasurable experience, particularly when the news is good. So, again, I want to express my appreciation and the appreciation of other Members of the Committee for your being here and articulating these facts in such an understandable way for us.

I would also just like to say that staff will be in touch in terms of setting up an opportunity for us to chat about the CPI study and the issue and the various facets of it. Thank you again for being here, and we look forward to seeing you soon.

**Ms. Abraham.** Thank you, Mr. Chairman, Members of the Committee.

**Representative Saxton.** Thank you very much, Dr. Abraham. We look forward to seeing you in a few weeks.

Thank you.

[Whereupon, at 10:52 a.m., the Committee was adjourned.]

## **SUBMISSIONS FOR THE RECORD**

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### **PREPARED STATEMENT OF REPRESENTATIVE**

#### **JIM SAXTON, CHAIRMAN**

It is a great pleasure to welcome Commissioner Abraham before the JEC once again. As I pointed out last month, the Bureau of Labor Statistics (BLS) is one of the most objective, professional, and respected statistical agencies in the world. I would also like to welcome the Ranking Minority Member, Senator Bingaman. I look forward to working with Senator Bingaman, and the other Members of the Committee on both sides of the aisle, over the next two years.

The employment data released this morning reflect the continuation of the business cycle expansion that began in 1991. The unemployment rate was basically unchanged, while payroll employment rose 271,000. The employment-population ratio also increased to a historically high level. Overall, the employment data released this morning are very welcome. However, other BLS data released in the last month continue to show stagnation or declines in middle class earnings, reflecting a problem that has persisted through most of this business cycle expansion.

Another important statistical series produced by the BLS is the Consumer Price Index (CPI). Last December the Boskin Commission released its report on the CPI, and this report has generated much controversy. The final Boskin Commission report took about two years to complete, so there is no reason Congress should rush to implement its recommendations before carefully considering them.

To date, the debate has been framed by the Boskin Commission report, but additional information and analysis is needed for balanced decision-making. For this reason, I have requested an in-depth BLS study of the technical issues raised by the Boskin Commission. It is my hope that this BLS study could be completed by this summer. In fairness to BLS and to the many millions of Americans that could be affected by policy changes in this area, I would hope that Congress would receive and digest the forthcoming BLS study before hasty actions are taken.

If the Boskin Commission recommendations were implemented, about \$1 trillion of additional taxes and benefit restraint would result

over the next 12 years. According to a JEC analysis, about 40 percent of the direct budget effects would result from tax increases on primarily middle class taxpayers. Congress must decide whether the policy mix resulting from a CPI revision is appropriate.

In closing, I would like to say that I look forward to working with my JEC colleagues on both sides of the aisle, and with the BLS and other statistical agencies, over the next two years.

## **PREPARED STATEMENT OF COMMISSIONER ABRAHAM**

Mr. Chairman and Members of the Committee:

I would like to thank you for this opportunity to comment on the labor market data released this morning.

The unemployment rate was essentially unchanged in January at 5.4 percent. Nonfarm payroll employment increased by 271,000 over the month. A number of roughly offsetting special factors influenced the payroll employment estimate. Heavy snows (and resulting employment declines) in January 1996 affected our seasonal adjustment factors for this year, leading to an exaggeration of the over-the-month employment growth in certain industries. On the other hand, employment was dampened in some sectors by bad weather this January, as well as by unusual movements in employment in several industries around the holiday season. The net effect of all of these special factors on aggregate payroll employment growth was small, although estimates for specific industries may be somewhat over- or understated.

The services industry added 167,000 jobs in January. This compares with an average monthly increase of 85,000 between May and December. The January gain was boosted by an unusually large estimated increase (82,000) in help supply services. Although there does appear to have been some genuine strength in this industry in January, the magnitude of the over-the-month employment increase was somewhat exaggerated by the special factors that I mentioned earlier. Elsewhere in services, health services added 43,000 jobs in January, nearly double the average monthly gain in 1996. Strong employment growth trends continued in January in computer and data processing services and in engineering and management services.

Employment in the transportation industry increased by 16,000 in January. The finance and real estate industries continued their growth pattern, while employment in insurance fell. Retail trade employment rose by 19,000 in January; this industry added an average of 50,000 jobs per month in 1996. The January weakness reflected a decline in employment of 29,000 in general merchandise stores, following a larger-than-usual holiday employment buildup.

In the goods-producing sector, manufacturing added 18,000 jobs in January and has gained 53,000 over the past 4 months. This growth follows declines totaling 319,000 factory jobs from March 1995 through September 1996. Within manufacturing, industrial machinery and equipment added 7,000 jobs in January, and motor vehicles added 6,000 jobs.

Aircraft manufacturing continued its recent growth trend, and apparel its long-term downward trend.

Construction employment continued to increase, although January's gain was held down by frigid temperatures throughout much of the country, and by ice and snow storms in the South, Midwest, and Northern Plains.

Average hourly earnings of production or nonsupervisory workers in the private sector edged up 1 cent in January to \$12.06. This follows gains totaling 15 cents per hour in the previous 2 months. Over the year, average hourly earnings rose by 44 cents, or 3.8 percent.

Average weekly hours fell by 0.7 hour to 34.1 in January, reflecting unusually harsh weather conditions. The decline was spread throughout every major industry, with an especially large drop off of 1.0 hour in construction.

Turning now to our survey of households, the unemployment rate was essentially unchanged in January at 5.4 percent, and unemployment rates for the major demographic groups showed little or no change. Civilian employment increased by about 430,000 (after adjusting for the revision to the population estimate that I will describe in a moment). The employment-population ratio edged up to 63.6 percent.

The January household survey data incorporate revised estimates of the civilian, noninstitutional population age 16 and over. These revisions primarily reflect improved information on the demographic characteristics of immigrants to, and emigrants from, the United States. The effect of these revisions is to make the January estimate of the population age 16 and over approximately 470,000 larger than it otherwise would have been, with the increase concentrated in the population estimate for Hispanics. The revision also raised estimated levels for the labor force, employment, and unemployment. The unemployment rate, employment-population ratio, and other percentages generally were not affected by the revision.

In summary, nonfarm payroll employment continued to expand in January, and unemployment was essentially unchanged.

My colleagues and I now would be glad to answer your questions.

# News

United States  
Department  
of Labor



Bureau of Labor Statistics

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embargoed until 8:30 A.M. (EST),  
Friday, February 7, 1997.

## THE EMPLOYMENT SITUATION: JANUARY 1997

Employment rose in January, and the unemployment rate was essentially unchanged at 5.4 percent, the Bureau of Labor Statistics of the U.S. Department of Labor reported today.

The number of nonfarm payroll jobs, as measured by the monthly survey of establishments, rose by 271,000 in January, after seasonal adjustment. Total employment, as measured by the monthly survey of

Chart 1. Unemployment rate, seasonally adjusted.  
Percent February 1994 - January 1997

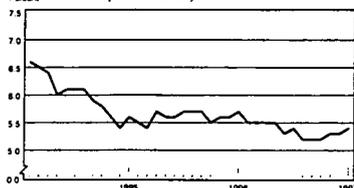
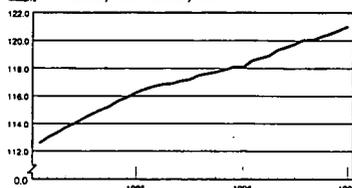


Chart 2. Nonfarm payroll employment, seasonally adjusted.  
Millions February 1994 - January 1997



households, rose by about 430,000 over the month, after allowance is made for the effect of revised population controls introduced into the survey in January. (See note on page 4.)

### Unemployment (Household Survey Data)

Both the number of unemployed persons, 7.3 million, and the unemployment rate, 5.4 percent, were about unchanged in January, after seasonal adjustment. Jobless rates for the major demographic groups—adult men (4.6 percent), adult women (4.6 percent), teenagers (17.0 percent), whites (4.6 percent), blacks (10.8 percent), and Hispanics (8.3 percent)—also showed little or no change over the month. (See tables A-1 and A-2.)

### Total Employment and the Labor Force (Household Survey Data)

After adjusting for the effect of the revised population estimates, civilian employment rose by about 430,000 in January, to 128.6 million (seasonally adjusted). The proportion of the population that was employed (the employment-population ratio) edged up to 63.6 percent.

Table A. Major indicators of labor market activity, seasonally adjusted  
(Numbers in thousands)

Category	Quarterly averages		Monthly data			Dec.- Jan. change <sup>1</sup>
	1996		1996		1997	
	III	IV	Nov.	Dec.	Jan.	
<b>HOUSEHOLD DATA</b>						
Labor force status						
Civilian labor force.....	134,118	134,830	134,831	135,022	135,848	509
Employment.....	127,042	127,705	127,644	127,855	128,580	433
Unemployment.....	7,076	7,124	7,187	7,167	7,268	75
Not in labor force.....	66,732	66,627	66,632	66,614	66,437	-327
Unemployment rates						
All workers.....	5.3	5.3	5.3	5.3	5.4	0.1
Adult men.....	4.5	4.4	4.4	4.4	4.6	.2
Adult women.....	4.7	4.8	4.8	4.9	4.6	-.3
Teenagers.....	16.6	16.6	16.8	16.5	17.0	.5
White.....	4.6	4.6	4.6	4.6	4.6	.0
Black.....	10.5	10.6	10.6	10.5	10.8	.3
Hispanic origin.....	8.7	8.0	8.3	7.7	8.3	.6
<b>ESTABLISHMENT DATA</b>						
Employment						
Nonfarm employment.....	119,958	p120,519	120,492	p120,753	p121,024	p271
Goods-producing <sup>2</sup> .....	24,273	p24,321	24,319	p24,359	p24,391	p32
Construction.....	5,438	p5,491	5,491	p5,519	p5,533	p14
Manufacturing.....	18,266	p18,264	18,262	p18,276	p18,294	p18
Service-producing <sup>2</sup> .....	95,685	p96,198	96,173	p96,394	p96,633	p239
Retail trade.....	21,682	p21,863	21,857	p21,930	p21,949	p19
Services.....	34,529	p34,790	34,780	p34,880	p35,047	p167
Government.....	19,536	p19,513	19,497	p19,534	p19,555	p21
Hours of work <sup>3</sup>						
Total private.....	34.4	p34.6	34.6	p34.8	p34.1	p-0.7
Manufacturing.....	41.7	p41.8	41.7	p42.0	p41.7	p-.3
Overtime.....	4.5	p4.5	4.5	p4.6	p4.6	p.0
Earnings <sup>3</sup>						
Average hourly earnings, total private.....	\$11.86	p\$11.98	\$11.99	p\$12.05	p\$12.06	p\$0.01
Average weekly earnings, total private.....	408.50	p414.12	414.85	p419.34	p411.25	p-8.09

<sup>1</sup> Changes for household data levels reflect an allowance for the effect of revised population controls. See the note on page 4.

<sup>2</sup> Includes other industries, not shown separately.

<sup>3</sup> Data relate to private production or nonsupervisory workers.

p=preliminary.

The number of persons employed part time for economic reasons was about unchanged in January at 4.4 million, after seasonal adjustment. This series has shown little definitive movement over the past year. (See table A-3.)

Approximately 7.6 million persons (not seasonally adjusted) held more than one job in January. The proportion of all employed persons that held more than one job was 6.0 percent. (See table A-9.)

The civilian labor force, at 135.8 million (seasonally adjusted), increased by about 500,000 in January, after allowance for the revised population estimates. The labor force participation rate continued to trend upward, reaching 67.2 percent.

#### Persons Not in the Labor Force (Household Survey Data)

About 1.6 million persons (not seasonally adjusted) were marginally attached to the labor force in January—that is, they wanted and were available for work and had looked for jobs sometime in the prior 12 months. The number of discouraged workers—a subset of the marginally attached who were not currently looking for jobs specifically because they believed no jobs were available for them or there were none for which they would qualify—was 397,000 in January. (See table A-9.)

#### Industry Payroll Employment (Establishment Survey Data)

Total nonfarm payroll employment increased by 271,000 in January to 121.0 million, after seasonal adjustment. The services industry accounted for three-fifths of January's increase, and manufacturing employment rose for the fourth straight month. (See table B-1.)

The services industry added 167,000 jobs in January, with business services and health services accounting for two-thirds of the gain. Within business services, growth continued in computer and data processing services, and there was an exceptionally large job gain in help supply services, after seasonal adjustment. While there does appear to have been some genuine strength in help supply services in January, the magnitude of the increase was exaggerated somewhat by special factors affecting the seasonally adjusted data. Health services employment rose by 43,000 in January, with sizable increases occurring in offices and clinics of medical doctors and in hospitals.

Employment in transportation rose by 16,000. Retail trade employment was little changed overall in January. Job gains in apparel stores, eating and drinking places, and other retail industries were offset by a large decline in general merchandise stores. Still, employment in general merchandise stores was slightly higher than the level recorded in September, just prior to the holiday hiring period. Employment in finance, insurance, and real estate rose modestly in January, as continued job gains in finance and real estate were partly offset by declines in insurance.

Manufacturing employment rose by 18,000 in January, building on a slow growth trend that began last October. Gains were concentrated in transportation equipment, including both aircraft and motor vehicles, and in industrial machinery and food products. Employment in apparel continued its long-term decline; this industry has lost 200,000 jobs, or one-fifth of its workforce, over the past 5 years. Employment in the construction industry continued to trend upward, but the January increase was limited by severe weather conditions in some parts of the country.

#### Weekly Hours (Establishment Survey Data)

The average workweek for production or nonsupervisory workers on private nonfarm payrolls fell sharply in January—0.7 hour—to 34.1 hours, seasonally adjusted, reflecting the impact of extreme

weather in many areas during the survey reference period. The length of the workweek was down in each of the major industry groups. The manufacturing workweek, 41.7 hours, was down by 0.3 hour in January. Factory overtime was unchanged at 4.6 hours. (See table B-2.)

The index of aggregate weekly hours of private production or nonsupervisory workers on nonfarm payrolls fell by 1.7 percent to 137.0 (1982=100) in January, as the decline in the average workweek more than offset the rise in employment. The manufacturing index fell by 0.7 percent to 106.2. (See table B-5.)

#### Hourly and Weekly Earnings (Establishment Survey Data)

Average hourly earnings of private production or nonsupervisory workers on nonfarm payrolls edged up by 1 cent in January to \$12.06, seasonally adjusted, following large increases in the prior 2 months. Reflecting the decline in the workweek, average weekly earnings fell by 1.9 percent to \$411.25. Over the past year, average hourly earnings rose by 3.8 percent and average weekly earnings increased by 4.7 percent. (See table B-3.)

#### **Revisions to the Household Survey Population Estimates**

Effective with the release of data for January 1997, revised population controls, primarily reflecting improvements in the estimation of demographic characteristics for immigrants and emigrants, have been introduced into the household survey. The revised controls result in an increase of 470,000 in the January estimate of the population 16 years and over and associated increases in the estimated levels of labor force, employment, and unemployment. These changes represent a break in series with data for prior periods. The impact of the revisions was concentrated in the estimates for Hispanics. The unemployment rate and other percentages are virtually unaffected.

Official population and labor force estimates for December 1996 and earlier months have not been revised, and at present there are no plans for revision. To assess the impact of the revised population controls on trend growth, December estimates for selected data series were recalculated using the new controls. When the revised controls are applied to the December data (that is, both the December and January estimates are on a consistent basis), trend growth over the December-January period is about 180,000 for the civilian noninstitutional population 16 years and over, 500,000 for the civilian labor force, 430,000 for the employed, and 75,000 for the unemployed.

An article describing these revisions and their effect on national labor force estimates will appear in the February 1997 issue of *Employment and Earnings*.

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The Employment Situation for February 1997 is scheduled to be released on Friday, March 7, at 8:30 A.M. (EST).

## HOUSEHOLD DATA

## HOUSEHOLD DATA

Table A-1. Employment status of the civilian population by sex and age

(Numbers in thousands)

Employment status, sex, and age	Not seasonally adjusted				Seasonally adjusted <sup>1</sup>				
	Jan. 1996	Dec. 1996	Jan. 1997	Jan. 1998	Sept. 1996	Oct. 1996	Nov. 1996	Dec. 1996	Jan. 1997
	<b>TOTAL</b>								
Civilian noninstitutional population	199,634	201,636	202,285	199,634	201,060	201,273	201,463	201,636	202,285
Civilian labor force	131,396	134,583	134,317	132,859	134,291	134,636	134,831	135,022	135,648
Participation rate	65.8	66.7	66.4	66.6	66.8	66.9	67.0	67.0	67.2
Employed	123,126	127,803	126,384	125,311	127,248	127,617	127,844	127,855	128,580
Employment-population ratio	61.7	63.4	62.5	62.8	63.3	63.4	63.4	63.4	63.6
Agriculture	3,068	3,131	3,036	3,498	3,480	3,450	3,354	3,426	3,468
Nonagricultural industries	120,058	124,772	123,348	121,813	123,768	124,187	124,290	124,429	125,112
Unemployed	8,270	6,880	7,933	7,586	7,043	7,019	7,187	7,187	7,268
Unemployment rate	6.3	5.0	5.9	5.7	5.2	5.2	5.3	5.3	5.4
Not in labor force	68,238	67,053	67,968	66,735	66,770	66,637	66,632	66,614	66,437
<b>Men, 16 years and over</b>									
Civilian noninstitutional population	95,713	96,742	97,284	95,713	96,447	96,556	96,654	96,742	97,284
Civilian labor force	70,612	71,959	72,117	71,586	72,087	72,363	72,362	72,414	73,106
Participation rate	73.8	74.4	74.1	74.8	74.7	74.9	74.9	74.9	75.2
Employed	68,006	68,434	67,840	67,527	68,304	68,647	68,589	68,707	69,164
Employment-population ratio	69.0	70.7	69.5	70.6	70.8	71.1	71.0	71.0	71.1
Unemployed	4,606	3,525	4,477	4,059	3,783	3,716	3,773	3,707	3,942
Unemployment rate	6.5	4.9	6.2	5.7	5.2	5.1	5.2	5.1	5.4
<b>Men, 20 years and over</b>									
Civilian noninstitutional population	88,223	89,040	89,445	88,223	88,733	88,840	88,871	89,040	89,445
Civilian labor force	66,990	68,227	68,429	67,536	68,056	68,273	68,391	68,369	68,998
Participation rate	75.9	76.6	76.5	76.6	76.7	76.8	76.9	76.8	77.1
Employed	63,129	65,326	64,863	64,256	64,978	65,299	65,349	65,367	65,813
Employment-population ratio	71.6	73.4	72.3	72.8	73.2	73.5	73.4	73.4	73.6
Agriculture	2,147	2,213	2,132	2,382	2,366	2,400	2,355	2,356	2,364
Nonagricultural industries	60,982	63,112	62,731	61,874	62,612	62,899	62,994	63,011	63,449
Unemployed	3,861	2,901	3,736	3,298	3,078	2,974	3,042	3,022	3,185
Unemployment rate	5.8	4.3	5.5	4.9	4.5	4.4	4.4	4.4	4.6
<b>Women, 16 years and over</b>									
Civilian noninstitutional population	103,821	104,894	105,022	103,821	104,614	104,717	104,809	104,894	105,022
Civilian labor force	60,784	62,624	62,200	61,313	62,204	62,273	62,469	62,608	62,742
Participation rate	58.5	59.7	59.2	59.0	59.5	59.5	59.8	59.7	59.7
Employed	57,119	59,469	58,744	57,784	58,944	58,970	59,055	59,149	59,416
Employment-population ratio	55.0	56.7	55.9	55.6	56.3	56.3	56.3	56.4	56.6
Unemployed	3,665	3,154	3,457	3,529	3,260	3,303	3,413	3,460	3,327
Unemployment rate	6.0	5.0	5.6	5.8	5.2	5.3	5.5	5.5	5.3
<b>Women, 20 years and over</b>									
Civilian noninstitutional population	96,717	97,457	97,520	96,717	97,226	97,290	97,366	97,437	97,520
Civilian labor force	57,352	58,893	58,637	57,584	58,349	58,432	58,574	58,728	58,894
Participation rate	59.3	60.4	60.1	59.5	60.0	60.1	60.2	60.3	60.4
Employed	54,264	56,253	55,739	54,664	55,681	55,763	55,871	55,871	56,165
Employment-population ratio	56.1	57.7	57.2	56.5	57.2	57.2	57.3	57.3	57.6
Agriculture	748	715	703	849	844	800	796	772	797
Nonagricultural industries	53,516	55,538	55,036	53,835	54,800	54,881	54,967	55,099	55,369
Unemployed	3,088	2,640	2,898	2,919	2,705	2,751	2,821	2,857	2,729
Unemployment rate	5.4	4.5	4.9	5.1	4.6	4.7	4.8	4.9	4.6
<b>Both sexes, 16 to 19 years</b>									
Civilian noninstitutional population	14,894	15,139	15,316	14,894	15,101	15,143	15,128	15,139	15,316
Civilian labor force	7,054	7,483	7,251	7,749	7,886	7,931	7,866	7,825	7,956
Participation rate	48.0	49.3	47.3	52.7	52.2	52.4	52.0	52.3	51.9
Employed	5,733	6,324	5,854	6,369	6,626	6,537	6,542	6,617	6,601
Employment-population ratio	39.0	41.8	38.9	43.3	43.9	43.8	43.3	43.7	43.1
Agriculture	173	203	202	267	270	250	213	298	307
Nonagricultural industries	5,560	6,121	5,752	6,102	6,356	6,287	6,329	6,319	6,294
Unemployed	1,322	1,139	1,299	1,380	1,260	1,294	1,324	1,306	1,354
Unemployment rate	18.7	15.3	17.8	17.8	16.0	16.3	16.8	16.5	17.0

<sup>1</sup> The population figures are not adjusted for seasonal variation; therefore, identical numbers appear in the unadjusted and seasonally adjusted columns.

NOTE: Beginning in January 1997, data reflect revised population controls used in the household survey.

## HOUSEHOLD DATA

## HOUSEHOLD DATA

Table A-2. Employment status of the civilian population by race, sex, age, and Hispanic origin

(Numbers in thousands)

Employment status, race, sex, age, and Hispanic origin	Not seasonally adjusted			Seasonally adjusted <sup>1</sup>					
	Jan. 1996	Dec. 1996	Jan. 1997	Jan. 1996	Sept. 1996	Oct. 1996	Nov. 1996	Dec. 1996	Jan. 1997
<b>WHITE</b>									
Civilian noninstitutional population	187,669	169,044	169,436	167,669	168,639	168,788	168,924	169,044	169,436
Civilian labor force	111,180	113,573	113,338	112,207	113,334	113,625	113,816	113,991	114,377
Participation rate	59.3	67.2	66.9	66.9	67.2	67.3	67.6	67.4	67.5
Employed	104,900	106,686	107,425	106,631	106,217	106,527	106,570	106,734	109,151
Employment-population ratio	62.8	64.3	63.4	63.6	64.2	64.3	64.3	64.3	64.4
Unemployed	6,280	4,887	5,913	5,576	5,117	5,098	5,246	5,257	5,226
Unemployment rate	5.6	4.3	5.2	5.0	4.5	4.5	4.6	4.6	4.6
<b>Men, 20 years and over</b>									
Civilian labor force	57,593	58,510	58,691	57,942	58,343	58,539	58,549	58,623	59,042
Participation rate	76.6	77.2	77.2	77.2	77.2	77.4	77.3	77.4	77.7
Employed	54,606	56,302	55,803	55,464	56,042	56,294	56,276	56,356	56,653
Employment-population ratio	72.6	74.3	73.4	73.7	74.2	74.4	74.3	74.4	74.5
Unemployed	2,987	2,208	2,888	2,478	2,301	2,245	2,273	2,267	2,388
Unemployment rate	5.2	3.8	4.9	4.3	3.9	3.8	3.9	3.9	4.0
<b>Women, 20 years and over</b>									
Civilian labor force	47,546	48,740	48,473	47,667	48,314	48,380	48,558	46,666	48,631
Participation rate	58.8	60.0	59.6	59.0	59.5	59.6	59.8	59.9	59.8
Employed	45,285	46,860	46,423	45,607	46,394	46,409	46,530	46,614	46,750
Employment-population ratio	54.0	57.8	57.1	56.4	57.2	57.2	57.3	57.3	57.5
Unemployed	2,261	1,880	2,050	2,060	1,920	1,941	2,028	2,072	1,881
Unemployment rate	4.8	3.9	4.2	4.4	4.0	4.0	4.2	4.3	3.9
<b>Both sexes, 16 to 19 years</b>									
Civilian labor force	6,041	6,323	6,174	6,578	6,677	6,706	6,709	6,662	6,704
Participation rate	52.0	52.7	50.9	56.6	56.0	56.1	56.0	55.6	55.3
Employed	5,008	5,524	5,199	5,560	5,781	5,794	5,764	5,764	5,747
Employment-population ratio	43.1	48.0	42.9	47.8	48.5	48.5	48.1	48.0	47.4
Unemployed	1,033	800	976	1,018	896	912	945	918	957
Unemployment rate	17.1	12.6	15.6	15.5	13.4	13.6	14.1	13.7	14.3
Men	18.7	14.0	17.3	16.3	14.8	15.4	15.5	14.8	14.9
Women	15.3	11.3	14.3	14.6	11.9	11.8	12.6	12.6	13.6
<b>BLACK</b>									
Civilian noninstitutional population	23,424	23,794	23,847	23,424	23,690	23,726	23,762	23,794	23,847
Civilian labor force	14,752	15,254	15,141	14,982	15,184	15,276	15,290	15,306	15,372
Participation rate	63.0	64.1	63.5	64.0	64.1	64.4	64.3	64.3	64.5
Employed	13,152	13,782	13,474	13,388	13,566	13,647	13,673	13,693	13,709
Employment-population ratio	56.1	57.9	56.5	57.2	57.3	57.5	57.5	57.5	57.5
Unemployed	1,600	1,472	1,667	1,594	1,618	1,629	1,617	1,613	1,663
Unemployment rate	10.8	9.6	11.0	10.8	10.7	10.7	10.6	10.5	10.8
<b>Men, 20 years and over</b>									
Civilian labor force	6,637	6,806	6,749	6,741	6,834	6,838	6,899	6,833	6,829
Participation rate	71.2	71.7	71.0	72.1	72.6	72.4	72.7	72.0	71.8
Employed	5,969	6,261	6,061	6,109	6,174	6,199	6,264	6,235	6,198
Employment-population ratio	63.8	65.9	63.7	63.3	63.6	63.6	63.6	63.7	63.2
Unemployed	669	547	687	632	660	639	635	598	632
Unemployment rate	10.3	8.0	10.2	9.4	9.7	9.3	9.2	8.8	9.2
<b>Women, 20 years and over</b>									
Civilian labor force	7,315	7,581	7,560	7,320	7,435	7,487	7,499	7,544	7,574
Participation rate	62.2	63.6	63.3	62.3	62.7	63.0	63.0	63.3	63.4
Employed	6,651	6,935	6,832	6,679	6,768	6,822	6,833	6,851	6,880
Employment-population ratio	56.5	58.2	57.4	56.8	57.2	57.4	57.4	57.5	57.6
Unemployed	664	646	708	650	647	665	666	693	694
Unemployment rate	9.1	8.5	9.4	8.9	8.7	8.9	8.9	9.2	9.2
<b>Both sexes, 16 to 19 years</b>									
Civilian labor force	780	864	833	912	915	951	892	929	869
Participation rate	33.8	36.2	34.8	39.5	38.0	39.6	37.5	38.9	40.4
Employed	532	585	560	620	604	626	578	607	631
Employment-population ratio	23.1	24.5	23.4	26.0	25.1	26.1	24.2	25.4	26.3
Unemployed	248	279	272	312	311	325	316	322	337
Unemployment rate	31.8	32.3	32.7	34.2	34.0	34.2	35.4	34.7	34.8
Men	37.3	37.6	43.2	35.1	37.2	36.5	41.2	38.6	42.7
Women	27.1	27.8	24.0	30.6	30.9	31.9	30.0	31.2	27.5

See footnotes at end of table.

## HOUSEHOLD DATA

## HOUSEHOLD DATA

Table A-2. Employment status of the civilian population by race, sex, age, and Hispanic origin — Continued

(Numbers in thousands)

Employment status, race, sex, age, and Hispanic origin	Not seasonally adjusted			Seasonally adjusted <sup>1</sup>					
	Jan. 1996	Dec. 1996	Jan. 1997	Jan. 1996	Sept. 1996	Oct. 1996	Nov. 1996	Dec. 1996	Jan. 1997
	<b>HISPANIC ORIGIN</b>								
Civilian noninstitutional population .....	18,929	19,505	20,013	18,929	19,348	19,398	19,454	19,505	20,013
Civilian labor force .....	12,393	13,151	13,600	12,556	12,871	12,899	13,182	13,150	13,795
Participation rate .....	65.5	67.4	68.0	66.3	66.5	67.0	67.6	67.4	68.9
Employed .....	11,102	12,218	12,349	11,375	11,801	11,928	12,094	12,141	12,653
Employment-population ratio .....	58.7	62.6	61.7	60.1	61.0	61.5	62.2	62.2	63.2
Unemployed .....	1,291	933	1,251	1,181	1,070	1,051	1,058	1,009	1,142
Unemployment rate .....	10.4	7.1	8.2	9.4	8.3	8.2	8.3	7.7	8.3

<sup>1</sup> The population figures are not adjusted for seasonal variation; therefore, identical numbers appear in the unadjusted and seasonally adjusted columns.

NOTE: Detail for the above race and Hispanic-origin groups will not sum to totals

because data for the "other races" group are not presented and Hispanics are included in both the white and black population groups. Beginning in January 1997, data reflect revised population controls used in the household survey.

Table A-3. Selected employment indicators

(In thousands)

Category	Not seasonally adjusted			Seasonally adjusted					
	Jan. 1996	Dec. 1996	Jan. 1997	Jan. 1996	Sept. 1996	Oct. 1996	Nov. 1996	Dec. 1996	Jan. 1997
<b>CHARACTERISTIC</b>									
Total employed, 16 years and over .....	123,126	127,903	126,384	125,311	127,248	127,617	127,644	127,855	128,580
Married men, spouse present .....	41,580	42,628	42,308	42,178	42,330	42,617	42,631	42,607	42,909
Married women, spouse present .....	31,854	32,913	32,531	32,117	32,679	32,537	32,509	32,631	32,826
Women who maintain families .....	7,214	7,443	7,433	7,281	7,420	7,392	7,444	7,500	7,501
<b>OCCUPATION</b>									
Managerial and professional specialty .....	35,614	37,411	37,357	35,706	36,759	36,917	37,177	37,234	37,478
Technical, sales, and administrative support .....	36,781	38,208	37,744	37,174	37,812	37,951	37,821	37,902	38,163
Service occupations .....	18,487	17,969	16,793	18,847	17,435	17,293	17,406	17,271	17,171
Precision production, craft, and repair .....	13,302	13,595	13,510	13,606	13,681	13,587	13,508	13,574	13,922
Operators, fabricators, and laborers .....	17,755	18,435	17,854	18,231	18,069	18,235	18,259	18,310	18,317
Farming, forestry, and fishing .....	3,207	3,164	3,027	3,753	3,557	3,365	3,445	3,496	3,528
<b>CLASS OF WORKER</b>									
<b>Agriculture:</b>									
Wage and salary workers .....	1,609	1,712	1,648	1,944	1,834	1,813	1,829	1,878	1,988
Self-employed workers .....	1,420	1,369	1,335	1,540	1,537	1,560	1,464	1,475	1,448
Unpaid family workers .....	40	50	54	46	91	71	68	66	62
<b>Nonagricultural industries:</b>									
Wage and salary workers .....	111,266	115,515	113,981	112,801	114,765	115,018	115,133	115,212	115,560
Government .....	18,044	18,331	18,311	18,114	18,002	18,132	18,270	18,266	18,365
Private industries .....	93,223	97,184	95,670	94,687	96,673	96,886	96,863	96,946	97,176
Private households .....	874	951	941	938	981	922	956	934	1,002
Other industries .....	92,349	96,233	94,729	93,751	95,692	95,964	95,907	96,012	96,174
Self-employed workers .....	8,706	8,120	8,219	8,827	8,811	8,967	9,023	9,109	9,445
Unpaid family workers .....	63	137	148	91	129	137	140	149	162
<b>PERSONS AT WORK PART TIME</b>									
<b>All industries:</b>									
Part time for economic reasons .....	4,320	4,352	4,541	4,210	4,302	4,286	3,993	4,338	4,426
Slack work or business conditions .....	2,580	2,470	2,735	2,288	2,398	2,258	2,107	2,353	2,423
Could only find part-time work .....	1,466	1,548	1,474	1,844	1,817	1,663	1,359	1,653	1,552
Part time for noneconomic reasons .....	17,542	18,898	18,450	17,436	17,823	17,754	17,957	17,864	18,340
<b>Nonagricultural industries:</b>									
Part time for economic reasons .....	4,103	4,140	4,338	3,940	4,130	4,118	3,815	4,162	4,163
Slack work or business conditions .....	2,427	2,313	2,603	2,155	2,284	2,147	2,001	2,214	2,310
Could only find part-time work .....	1,444	1,528	1,447	1,509	1,580	1,647	1,343	1,622	1,512
Part time for noneconomic reasons .....	18,933	18,307	17,879	18,780	17,204	17,123	17,313	17,237	17,737

NOTE: Persons at work excludes employed persons who were absent from their jobs during the entire reference week for reasons such as vacation, illness, or

work full time but worked only 1 to 34 hours during the reference week for reasons such as holidays, illness, and bad weather. Beginning in January 1997, data reflect

## HOUSEHOLD DATA

## HOUSEHOLD DATA

Table A-4. Selected unemployment indicators, seasonally adjusted

Category	Number of unemployed persons (in thousands)			Unemployment rates <sup>1</sup>					
	Jan. 1996	Dec. 1996	Jan. 1997	Jan. 1996	Sept. 1996	Oct. 1996	Nov. 1996	Dec. 1996	Jan. 1997
<b>CHARACTERISTIC</b>									
Total, 16 years and over .....	7,588	7,167	7,268	5.7	5.2	5.2	5.3	5.3	5.4
Men, 20 years and over .....	3,298	3,002	3,185	4.9	4.5	4.4	4.4	4.4	4.6
Women, 20 years and over .....	2,810	2,857	2,729	5.1	4.6	4.7	4.6	4.9	4.6
Both sexes, 16 to 19 years .....	1,360	1,308	1,354	17.8	16.0	16.3	16.8	16.5	17.0
Married men, spouse present .....	1,389	1,306	1,242	3.2	3.0	3.0	3.0	3.0	2.8
Married women, spouse present .....	1,292	1,261	1,114	3.9	3.4	3.5	3.6	3.7	3.3
Women who maintain families .....	648	686	753	8.2	8.3	8.5	8.8	8.4	9.1
Full-time workers .....	6,070	5,754	5,809	5.8	5.1	5.1	5.3	5.2	5.2
Part-time workers .....	1,479	1,425	1,426	8.0	5.6	5.6	5.6	5.8	5.7
<b>OCCUPATION<sup>2</sup></b>									
Managerial and professional specialty .....	895	899	814	2.4	2.3	2.2	2.3	2.4	2.1
Technical, sales, and administrative support .....	1,764	1,837	1,771	4.5	4.5	4.5	4.5	4.6	4.4
Precision production, craft, and repair .....	799	770	782	3.5	3.4	3.5	3.7	3.4	3.3
Operators, laborers, and laborers .....	1,656	1,505	1,568	6.3	7.5	7.7	7.7	7.6	7.9
Farming, forestry, and fishing .....	331	293	286	6.1	7.1	7.0	7.7	7.7	7.5
<b>INDUSTRY</b>									
Nonagricultural private wage and salary workers .....	5,821	5,536	5,558	5.8	5.3	5.3	5.5	5.4	5.4
Goods-producing industries .....	1,805	1,699	1,708	8.4	5.6	5.8	6.1	5.9	6.0
Mining .....	32	44	33	5.2	5.1	5.8	4.9	7.6	6.0
Construction .....	719	633	705	10.9	9.3	9.6	10.3	9.4	10.1
Manufacturing .....	1,054	1,022	971	5.0	4.4	4.7	4.7	4.8	4.6
Durable goods .....	557	594	569	4.5	4.2	4.4	4.5	4.7	4.4
Nondurable goods .....	497	428	401	6.7	4.7	5.1	5.1	5.0	4.8
Service-producing industries .....	4,016	3,839	3,850	5.6	5.2	5.1	5.2	5.2	5.2
Transportation and public utilities .....	274	282	288	3.9	4.1	4.4	3.5	4.0	4.1
Wholesale and retail trade .....	1,738	1,597	1,657	6.7	6.2	6.2	6.3	6.2	6.4
Finance, insurance, and real estate .....	202	230	237	2.8	3.0	2.9	2.9	3.1	3.5
Services .....	1,802	1,730	1,639	5.6	5.3	5.0	5.3	5.2	4.9
Government workers .....	519	572	550	2.8	3.0	2.9	2.8	3.0	2.9
Agricultural wage and salary workers .....	232	216	186	10.7	10.8	10.0	10.9	10.3	8.6

<sup>1</sup> Unemployment as a percent of the civilian labor force.

<sup>2</sup> Seasonally adjusted unemployment data for service occupations are not available because the seasonal component, which is small relative to the trend-cycle

and irregular components, cannot be separated with sufficient precision.

NOTE: Beginning in January 1997, data reflect revised population controls used in the household survey.

Table A-5. Duration of unemployment

(Numbers in thousands)

Duration	Not seasonally adjusted			Seasonally adjusted					
	Jan. 1996	Dec. 1996	Jan. 1997	Jan. 1996	Sept. 1996	Oct. 1996	Nov. 1996	Dec. 1996	Jan. 1997
<b>NUMBER OF UNEMPLOYED</b>									
Less than 5 weeks .....	3,301	2,313	3,352	2,774	2,522	2,556	2,819	2,671	2,801
5 to 14 weeks .....	2,485	2,406	2,329	2,370	2,245	2,265	2,252	2,357	2,223
15 weeks and over .....	2,483	1,962	2,252	2,369	2,277	2,294	2,184	2,179	2,155
15 to 26 weeks .....	1,215	863	1,029	1,114	1,040	1,062	1,016	976	943
27 weeks and over .....	1,268	1,079	1,223	1,255	1,237	1,232	1,166	1,203	1,212
Average (mean) duration, in weeks .....	15.5	15.6	15.3	16.2	16.9	16.7	16.0	15.8	16.0
Median duration, in weeks .....	7.8	7.7	7.4	8.2	8.6	8.3	7.7	7.8	7.7
<b>PERCENT DISTRIBUTION</b>									
Total unemployed .....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Less than 5 weeks .....	39.9	34.6	42.3	36.9	35.8	35.9	38.9	37.1	39.0
5 to 14 weeks .....	30.1	36.0	29.4	31.5	31.9	31.8	31.0	32.7	31.0
15 weeks and over .....	30.0	29.4	28.4	31.5	32.3	32.2	30.1	30.2	30.0
15 to 26 weeks .....	14.7	13.2	13.0	14.8	14.8	14.9	14.0	13.5	13.1
27 weeks and over .....	15.3	16.1	15.4	16.7	17.6	17.3	16.1	16.7	16.9

NOTE: Beginning in January 1997, data reflect revised population controls used in

the household survey.

## HOUSEHOLD DATA

## HOUSEHOLD DATA

Table A-6. Reason for unemployment

(Numbers in thousands)

Reason	Not seasonally adjusted			Seasonally adjusted					
	Jan. 1996	Dec. 1996	Jan. 1997	Jan. 1996	Sept. 1996	Oct. 1996	Nov. 1996	Dec. 1996	Jan. 1997
<b>NUMBER OF UNEMPLOYED</b>									
Job losers and persons who completed temporary jobs .....	4,425	3,230	4,027	3,586	3,236	3,171	3,261	3,221	3,245
On temporary layoff .....	1,728	1,045	1,302	1,106	969	2,214	994	987	953
Not on temporary layoff .....	2,697	2,184	2,526	2,480	2,267	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
Permanent job losers .....	1,853	1,514	1,866	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
Persons who completed temporary jobs .....	844	670	850	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
Job leavers .....	803	771	858	835	800	797	825	845	890
Reentrants .....	2,503	2,189	2,525	2,481	2,441	2,489	2,523	2,556	2,505
New entrants .....	540	491	523	820	539	577	586	626	600
<b>PERCENT DISTRIBUTION</b>									
Total unemployed .....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Job losers and persons who completed temporary jobs .....	53.3	48.3	50.8	47.7	48.0	45.1	45.3	44.4	44.8
On temporary layoff .....	20.9	15.8	18.9	14.7	14.1	13.6	13.8	13.6	13.2
Not on temporary layoff .....	32.6	32.7	31.8	33.0	31.9	31.5	31.5	30.8	31.7
Job leavers .....	9.7	11.5	10.8	11.1	11.4	11.3	11.5	11.7	12.3
Reentrants .....	30.3	32.8	31.8	33.0	34.7	35.4	35.1	35.3	34.6
New entrants .....	6.5	7.3	6.8	8.2	7.9	8.2	8.1	8.6	8.3
<b>UNEMPLOYED AS A PERCENT OF THE CIVILIAN LABOR FORCE</b>									
Job losers and persons who completed temporary jobs .....	3.4	2.4	3.0	2.7	2.4	2.4	2.4	2.4	2.4
Job leavers .....	.6	.6	.8	.5	.5	.6	.6	.6	.7
Reentrants .....	1.9	1.8	1.9	1.9	1.8	1.8	1.9	1.9	1.8
New entrants .....	.4	.4	.4	.5	.4	.4	.4	.5	.4

<sup>1</sup> Not available.

NOTE: Beginning in January 1997, data reflect revised population controls used in the household survey.

Table A-7. Range of alternative measures of labor underutilization

(Percent)

Measure	Not seasonally adjusted			Seasonally adjusted					
	Jan. 1996	Dec. 1996	Jan. 1997	Jan. 1996	Sept. 1996	Oct. 1996	Nov. 1996	Dec. 1996	Jan. 1997
U-1 Persons unemployed 15 weeks or longer, as a percent of the civilian labor force .....	1.9	1.5	1.7	1.8	1.7	1.7	1.8	1.8	1.6
U-2 Job losers and persons who completed temporary jobs, as a percent of the civilian labor force .....	3.4	2.4	3.0	2.7	2.4	2.4	2.4	2.4	2.4
U-3 Total unemployed, as a percent of the civilian labor force (official unemployment rate) .....	6.3	5.0	5.9	5.7	5.2	5.2	5.3	5.3	5.4
U-4 Total unemployed plus discouraged workers, as a percent of the civilian labor force plus discouraged workers .....	6.6	5.2	6.2	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
U-5 Total unemployed, plus discouraged workers, plus all other marginally attached workers, as a percent of the civilian labor force plus all marginally attached workers .....	7.5	6.0	7.0	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
U-6 Total unemployed, plus all marginally attached workers, plus total employed part time for economic reasons, as a percent of the civilian labor force plus all marginally attached workers .....	10.8	9.2	10.4	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )

<sup>1</sup> Not available.

NOTE: This range of alternative measures of labor underutilization replaces the U1-U7 range published in table A-7 of this release prior to 1994. Marginally attached workers are persons who currently are neither working nor looking for work but indicate that they want and are available for a job and have looked for work sometime in the recent past. Discouraged workers, a subset of the marginally

attached, have given a job-market related reason for not currently looking for a job. Persons employed part time for economic reasons are those who want and are available for full-time work but have had to settle for a part-time schedule. For further information, see "BLS introduces new range of alternative unemployment measures," in the October 1995 issue of the Monthly Labor Review. Beginning in January 1997, data reflect revised population controls used in the household survey.

## HOUSEHOLD DATA

## HOUSEHOLD DATA

Table A-8. Unemployed persons by sex and age, seasonally adjusted

Age and sex	Number of unemployed persons (in thousands)			Unemployment rates <sup>1</sup>					
	Jan. 1996	Dec. 1996	Jan. 1997	Jan. 1996	Sept. 1996	Oct. 1996	Nov. 1996	Dec. 1996	Jan. 1997
	<b>Total, 16 years and over</b> .....	7,388	7,167	7,288	5.7	5.2	5.2	5.3	5.3
16 to 24 years .....	2,712	2,526	2,625	12.8	11.5	11.7	11.9	11.9	12.2
16 to 19 years .....	1,380	1,308	1,354	17.6	16.0	16.3	16.8	16.5	17.0
16 to 17 years .....	843	841	867	20.1	17.6	18.0	17.0	19.3	17.7
16 to 18 years .....	734	677	787	18.2	14.7	15.3	17.0	14.7	16.6
16 to 19 years .....	1,332	1,218	1,270	9.9	6.9	6.9	9.0	9.1	9.4
25 years and over .....	4,822	4,696	4,590	4.3	4.1	4.0	4.1	4.1	4.0
25 to 34 years .....	4,300	4,147	4,137	4.5	4.2	4.2	4.2	4.2	4.2
35 years and over .....	564	542	501	3.6	3.3	3.2	3.1	3.3	3.1
<b>Men, 16 years and over</b> .....	4,059	3,707	3,942	5.7	5.2	5.1	5.2	5.1	5.4
16 to 24 years .....	1,444	1,366	1,468	12.9	12.1	12.3	12.5	12.3	12.9
16 to 19 years .....	761	705	757	18.9	17.5	18.1	18.4	17.4	18.4
16 to 17 years .....	357	343	336	21.7	19.2	19.6	18.9	20.6	20.4
16 to 18 years .....	401	364	418	16.8	16.2	17.1	19.0	15.4	17.1
16 to 19 years .....	683	661	711	9.5	9.0	8.9	9.2	9.3	9.8
25 years and over .....	2,579	2,537	2,441	4.3	4.0	3.8	3.9	3.8	4.0
25 to 34 years .....	2,290	2,032	2,174	4.4	4.2	4.0	4.0	3.9	4.1
35 years and over .....	309	303	293	3.5	3.3	3.0	3.1	3.4	3.2
<b>Women, 16 years and over</b> .....	3,529	3,460	3,327	5.8	5.2	5.3	5.5	5.5	5.3
16 to 24 years .....	1,268	1,160	1,157	12.7	10.9	11.0	11.3	11.4	11.4
16 to 19 years .....	619	603	598	16.6	14.4	14.4	15.2	15.5	15.5
16 to 17 years .....	286	298	231	18.4	16.0	16.2	15.1	18.1	14.9
16 to 18 years .....	333	313	369	15.4	13.1	13.4	15.0	14.0	16.2
16 to 19 years .....	649	557	559	10.4	6.7	6.9	8.9	8.9	8.9
25 years and over .....	2,243	2,359	2,148	4.4	4.2	4.2	4.3	4.5	4.1
25 to 34 years .....	2,010	2,115	1,963	4.5	4.2	4.4	4.5	4.7	4.3
35 years and over .....	255	239	208	3.7	3.4	3.4	3.0	3.3	2.9

<sup>1</sup> Unemployment as a percent of the civilian labor force.

the household survey.

NOTE: Beginning in January 1997, data reflect revised population controls used in

Table A-9. Persons not in the labor force and multiple jobholders by sex, not seasonally adjusted

(Numbers in thousands)

Category	Total		Men		Women	
	Jan. 1996	Jan. 1997	Jan. 1996	Jan. 1997	Jan. 1996	Jan. 1997
	<b>NOT IN THE LABOR FORCE</b>					
Total not in the labor force .....	68,238	67,968	25,101	25,147	43,137	42,821
Persons who currently want a job .....	5,751	5,164	2,340	2,204	3,410	2,960
Searched for work and available to work now <sup>1</sup> .....	1,737	1,615	871	818	865	797
Reason not currently looking .....	409	397	241	268	167	129
Discouragement over job prospects <sup>2</sup> .....	1,326	1,218	630	550	698	668
Reasons other than discouragement <sup>3</sup> .....						
<b>MULTIPLE JOBHOLDERS</b>						
Total multiple jobholders <sup>4</sup> .....	7,127	7,572	3,758	4,076	3,370	3,496
Percent of total employed .....	5.8	6.0	5.7	6.0	5.9	6.0
Primary job full time, secondary job part time .....	4,013	4,270	2,368	2,540	1,647	1,730
Primary and secondary jobs both part time .....	1,605	1,638	498	526	1,107	1,113
Primary and secondary jobs both full time .....	239	210	173	154	66	56
Hours vary on primary or secondary job .....	1,236	1,427	699	845	538	582

<sup>1</sup> Data refer to persons who have searched for work during the prior 12 months and were available to take a job during the reference week.<sup>2</sup> Includes those who did not actively look for work in the prior 4 weeks for such reasons as child-care and transportation problems, as well as a small number for

which reason for nonparticipation was not determined.

<sup>3</sup> Includes persons who work part time on their primary job and full time on their secondary job(s), not shown separately.

NOTE: Beginning in January 1997, data reflect revised population controls used in the household survey.

## HOUSEHOLD DATA

## HOUSEHOLD DATA

Employment status of the civilian population for census regions and divisions.  
(Numbers in thousands)

Census region and division	NOT SEASONALLY ADJUSTED			SEASONALLY ADJUSTED					
	Jan. 1996	Dec. 1996	Jan. 1997	Jan. 1996	Sept. 1996	Oct. 1996	Nov. 1996	Dec. 1996	Jan. 1997
<b>NORTHEAST</b>									
Employed.....	23,420	24,381	24,131	23,889	24,452	24,432	24,442	24,413	24,610
Unemployed.....	1,623	1,354	1,649	1,480	1,377	1,394	1,417	1,431	1,510
Unemployment rate.....	6.5	5.3	6.4	5.8	5.3	5.4	5.5	5.5	5.8
<b>New England</b>									
Employed.....	6,492	6,715	6,658	6,604	6,739	6,727	6,753	6,705	6,774
Unemployed.....	416	324	402	352	332	333	324	342	330
Unemployment rate.....	6.0	4.6	5.7	5.1	4.7	4.7	4.6	4.9	4.8
<b>Middle Atlantic</b>									
Employed.....	16,930	17,666	17,473	17,285	17,713	17,706	17,690	17,709	17,836
Unemployed.....	1,207	1,029	1,248	1,126	1,045	1,062	1,093	1,089	1,171
Unemployment rate.....	6.7	5.5	6.7	6.1	5.6	5.7	5.8	5.8	6.2
<b>SOUTH</b>									
Employed.....	42,919	44,836	44,048	43,601	44,360	44,580	44,447	44,700	44,726
Unemployed.....	2,762	2,223	2,616	2,517	2,382	2,461	2,513	2,436	2,371
Unemployment rate.....	6.0	4.7	5.6	5.5	5.1	5.2	5.4	5.2	5.0
<b>South Atlantic</b>									
Employed.....	22,046	23,039	22,732	22,467	22,879	22,997	22,987	23,017	23,155
Unemployed.....	1,322	1,093	1,288	1,214	1,190	1,179	1,155	1,197	1,181
Unemployment rate.....	5.7	4.5	5.4	5.1	4.9	4.9	4.8	4.9	4.9
<b>East South Central</b>									
Employed.....	7,452	7,766	7,516	7,533	7,609	7,612	7,582	7,673	7,590
Unemployed.....	476	401	432	432	411	510	520	460	461
Unemployment rate.....	6.0	4.9	6.4	5.4	5.1	6.3	6.4	5.7	5.7
<b>West South Central</b>									
Employed.....	13,422	14,033	13,800	13,601	13,872	13,971	13,878	14,009	13,982
Unemployed.....	964	729	819	871	781	772	838	779	728
Unemployment rate.....	6.7	4.9	5.6	6.0	5.3	5.2	5.7	5.3	5.0
<b>MIDWEST</b>									
Employed.....	30,180	31,175	30,579	30,756	31,187	31,248	31,267	31,245	31,157
Unemployed.....	1,725	1,395	1,670	1,484	1,456	1,442	1,512	1,478	1,431
Unemployment rate.....	5.4	4.3	5.2	4.6	4.5	4.4	4.6	4.5	4.4

See footnotes at end of table.

## HOUSEHOLD DATA

## HOUSEHOLD DATA

Employment status of the civilian population for census regions and divisions. -Continued

(Numbers in thousands)

Census region and division	NOT SEASONALLY ADJUSTED			SEASONALLY ADJUSTED					
	Jan. 1996	Dec. 1996	Jan. 1997	Jan. 1996	Sept. 1996	Oct. 1996	Nov. 1996	Dec. 1996	Jan. 1997
<b>East North Central</b>									
Employed.....	20,883	21,433	21,092	21,143	21,438	21,521	21,578	21,529	21,557
Unemployed.....	1,287	1,006	1,190	1,117	1,068	1,041	1,055	1,083	1,019
Unemployment rate.....	5.9	4.5	5.3	5.0	4.7	4.6	4.7	4.8	4.5
<b>West North Central</b>									
Employed.....	9,502	9,745	9,487	9,613	9,749	9,727	9,687	9,715	9,600
Unemployed.....	436	388	480	387	388	402	456	395	412
Unemployment rate.....	4.4	3.8	4.8	3.7	3.8	4.0	4.5	3.9	4.1
<b>WEST</b>									
Employed.....	26,875	27,801	27,626	27,298	27,700	27,691	27,791	27,800	28,050
Unemployed.....	2,180	1,727	1,998	1,981	1,850	1,853	1,894	1,880	1,798
Unemployment rate.....	7.5	5.8	6.7	6.7	6.3	6.3	6.4	6.3	6.0
<b>Mountain</b>									
Employed.....	7,770	8,042	7,922	7,879	7,893	7,904	7,983	8,022	8,034
Unemployed.....	457	379	430	422	438	421	408	417	395
Unemployment rate.....	5.6	4.5	5.1	5.1	5.3	5.1	4.9	4.9	4.7
<b>Pacific</b>									
Employed.....	19,110	19,781	19,705	19,418	19,806	19,787	19,808	19,778	20,015
Unemployed.....	1,721	1,347	1,589	1,539	1,412	1,432	1,486	1,463	1,403
Unemployment rate.....	8.3	6.4	7.4	7.3	6.7	6.7	7.0	6.9	6.8

NOTE: The States (including the District of Columbia) that compose the various census divisions are: New England: Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont; Middle Atlantic: New Jersey, New York, and Pennsylvania; South Atlantic: Delaware, District of Columbia, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia, and West Virginia; East South Central: Alabama, Kentucky, Mississippi, and Tennessee; West South Central: Arkansas, Louisiana, Oklahoma, and Texas; East North Central: Illinois, Indiana, Michigan, Ohio, and Wisconsin; West North Central: Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, and South Dakota; Mountain: Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah and Wyoming; and Pacific: Alaska, California, Hawaii, Oregon, and Washington.

## ESTABLISHMENT DATA

## ESTABLISHMENT DATA

Table B-1. Employees on nonfarm payrolls by industry

(In thousands)

Industry	Not seasonally adjusted				Seasonally adjusted					
	Jan. 1996	Nov. 1996	Dec. 1996P	Jan. 1997P	Jan. 1996	Sept. 1996	Oct. 1996	Nov. 1996	Dec. 1996P	Jan. 1997P
Total .....	116,176	121,578	121,552	118,882	118,070	120,050	120,311	120,492	120,753	121,024
Total private .....	98,908	101,593	101,854	99,503	98,734	100,531	100,803	100,995	101,219	101,469
Goods-producing .....	23,541	24,513	24,285	23,769	24,112	24,257	24,284	24,319	24,359	24,391
Mining .....	559	571	564	553	569	567	566	566	564	564
Metal mining .....	50.0	51.9	51.6	51.2	51	52	52	52	52	52
Coal mining .....	101.2	97.8	96.5	95.9	101	98	98	97	96	96
Oil and gas extraction .....	308.2	311.2	309.7	305.9	310	309	306	308	307	307
Nonmetallic minerals, except fuels .....	98.4	110.2	106.1	99.7	107	108	108	109	109	109
Construction .....	4,789	5,834	5,423	5,063	5,234	5,449	5,464	5,491	5,510	5,533
General building contractors .....	1,141.8	1,263.6	1,244.8	1,192.4	1,205	1,233	1,233	1,241	1,249	1,260
Heavy construction, except building .....	615.4	797.3	721.7	636.5	741	765	765	764	768	767
Special trade contractors .....	3,032.0	3,572.6	3,456.7	3,234.4	3,288	3,451	3,466	3,486	3,502	3,506
Manufacturing .....	18,194	18,306	18,299	18,153	18,309	18,241	18,254	18,262	18,278	18,294
Production workers .....	12,554	12,653	12,637	12,518	12,656	12,591	12,606	12,616	12,618	12,635
Durable goods .....	10,604	10,721	10,738	10,663	10,643	10,675	10,684	10,694	10,711	10,727
Production workers .....	7,253	7,346	7,358	7,299	7,288	7,307	7,318	7,327	7,334	7,352
Lumber and wood products .....	741.8	774.2	770.1	758.2	750	766	769	771	771	769
Furniture and fixtures .....	503.3	503.6	505.1	500.8	503	500	499	501	502	501
Stone, clay, and glass products .....	511.6	541.7	533.2	514.8	532	537	538	537	539	535
Primary metal industries .....	710.2	704.2	705.2	702.2	709	706	702	703	702	702
Blown furnaces and basic steel products .....	239.9	234.4	234.9	234.4	240	237	234	234	233	235
Fabricated metal products .....	1,440.6	1,465.1	1,466.2	1,457.5	1,442	1,456	1,459	1,461	1,461	1,463
Industrial machinery and equipment .....	2,086.1	2,083.9	2,094.5	2,094.7	2,085	2,082	2,068	2,087	2,091	2,088
Computer and office equipment .....	357.3	360.3	361.1	360.2	357	359	360	360	361	360
Electronic and other electrical equipment .....	1,646.2	1,652.1	1,651.7	1,644.4	1,646	1,649	1,648	1,647	1,645	1,645
Electronic components and accessories .....	606.9	610.2	612.2	614.1	609	613	611	611	611	615
Transportation equipment .....	1,751.5	1,775.2	1,792.1	1,780.3	1,757	1,764	1,764	1,772	1,780	1,782
Motor vehicles and equipment .....	949.2	951.8	965.0	952.2	956	955	950	952	956	962
Aircraft and parts .....	446.9	470.8	473.7	477.3	446	455	463	468	472	477
Instruments and related products .....	830.2	831.2	833.1	829.2	831	831	833	830	833	831
Miscellaneous manufacturing .....	382.6	390.1	387.0	383.0	388	384	384	385	387	391
Nondurable goods .....	7,590	7,587	7,560	7,490	7,656	7,566	7,570	7,568	7,565	7,567
Production workers .....	5,301	5,307	5,279	5,219	5,368	5,284	5,268	5,296	5,294	5,293
Food and kindred products .....	1,624.9	1,652.6	1,637.7	1,616.5	1,672	1,639	1,641	1,647	1,651	1,661
Tobacco products .....	43.2	42.8	43.7	42.1	41	40	41	42	41	40
Textile mill products .....	636.5	630.3	626.5	625.1	640	631	633	629	629	630
Apparel and other textile products .....	857.7	833.9	820.4	804.3	869	835	804	829	823	815
Paper and allied products .....	661.6	675.3	675.2	672.7	684	674	674	675	675	675
Printing and publishing .....	1,530.5	1,531.4	1,535.9	1,524.4	1,533	1,527	1,528	1,525	1,525	1,527
Chemicals and allied products .....	1,021.9	1,014.8	1,013.6	1,011.6	1,026	1,017	1,017	1,017	1,015	1,017
Petroleum and coal products .....	135.8	135.6	134.9	132.1	140	139	138	139	137	138
Rubber and misc. plastics products .....	859.7	874.3	876.0	868.1	864	871	871	874	875	872
Leather and leather products .....	98.1	93.4	94.4	93.1	98	93	93	92	94	94
Service-producing .....	92,635	97,065	97,267	95,213	93,958	95,793	96,027	96,173	96,394	96,633
Transportation and public utilities .....	6,188	6,399	6,405	6,290	6,254	6,337	6,338	6,350	6,341	6,357
Transportation .....	3,825	4,110	4,123	4,020	3,980	4,052	4,050	4,062	4,060	4,076
Railroad transportation .....	230.4	230.6	228.0	224.0	235	230	231	229	229	229
Local and interurban passenger transit .....	445.4	476.9	478.9	476.5	436	458	458	460	462	467
Trucking and warehousing .....	1,626.1	1,901.2	1,905.9	1,815.2	1,874	1,877	1,877	1,870	1,858	1,863
Water transportation .....	164.6	169.3	168.1	166.9	172	171	172	172	171	175
Transportation by air .....	819.7	869.5	879.5	878.1	822	855	859	868	879	877
Pipelines, except natural gas .....	14.1	13.7	13.7	13.7	14	14	14	14	14	14
Transportation services .....	424.5	448.7	448.5	447.8	427	447	448	449	449	451
Communications and public utilities .....	2,263	2,289	2,282	2,270	2,274	2,285	2,278	2,288	2,281	2,281
Communications .....	1,361.9	1,403.5	1,396.1	1,391.5	1,367	1,396	1,393	1,401	1,396	1,398
Electric, gas, and sanitary services .....	901.4	885.5	885.4	878.6	907	887	886	887	885	883
Wholesale trade .....	6,455	6,864	6,859	6,609	6,512	6,619	6,643	6,651	6,655	6,662
Durable goods .....	3,792	3,888	3,895	3,779	3,879	3,814	3,885	3,890	3,895	3,897
Nondurable goods .....	2,663	2,776	2,764	2,730	2,698	2,742	2,758	2,761	2,760	2,765

## ESTABLISHMENT DATA

## ESTABLISHMENT DATA

Table B-1. Employees on nonfarm payrolls by industry - Continued

(In thousands)

Industry	Not seasonally adjusted				Seasonally adjusted						
	Jan. 1996	Nov. 1996	Dec. 1996 <sup>1</sup>	Jan. 1997 <sup>2</sup>	Jan. 1996	Sept. 1996	Oct. 1996	Nov. 1996	Dec. 1996 <sup>1</sup>	Jan. 1997 <sup>2</sup>	
<b>Retail trade</b> .....	20,919	22,207	22,536	21,548	21,268	21,702	21,803	21,857	21,930	21,949	
Building materials and garden supplies .....	838.1	936.1	934.9	890.1	882	830	826	842	847	840	
General merchandise stores .....	2,697.6	2,968.0	3,072.0	2,778.8	2,651	2,737	2,765	2,770	2,780	2,751	
Department stores .....	2,372.2	2,635.0	2,701.4	2,456.2	2,330	2,415	2,442	2,444	2,454	2,434	
Food stores .....	3,381.1	3,494.8	3,525.0	3,451.8	3,399	3,440	3,454	3,462	3,463	3,473	
Automotive dealers and service stations .....	2,193.9	2,305.8	2,290.0	2,290.0	2,227	2,297	2,303	2,308	2,312	2,318	
New and used car dealers .....	1,004.3	1,043.0	1,040.1	1,040.8	1,011	1,039	1,041	1,042	1,043	1,047	
Apparel and accessory stores .....	1,109.8	1,155.4	1,202.8	1,113.6	1,100	1,100	1,108	1,108	1,103	1,114	
Furniture and home furnishings stores .....	855.7	1,028.8	1,057.4	1,023.9	949	991	998	1,005	1,016	1,018	
Eating and drinking places .....	7,083.6	7,462.4	7,503.3	7,233.7	7,405	7,504	7,527	7,557	7,575	7,575	
Miscellaneous retail establishments .....	2,657.5	2,837.9	2,940.6	2,764.8	2,655	2,703	2,722	2,736	2,752	2,760	
<b>Finance, insurance, and real estate</b> .....	6,840	7,017	7,033	7,012	6,894	7,009	7,026	7,038	7,054	7,063	
Finance .....	3,268	3,356	3,370	3,374	3,277	3,341	3,355	3,361	3,371	3,381	
Depository institutions .....	2,018.1	2,032.0	2,035.4	2,035.6	2,022	2,029	2,035	2,035	2,035	2,037	
Commercial banks .....	1,463.2	1,477.2	1,481.3	1,482.2	1,457	1,474	1,478	1,479	1,480	1,485	
Savings institutions .....	265.9	257.9	256.4	255.4	266	261	260	258	257	256	
Nondepository institutions .....	489.2	529.0	534.9	538.8	490	522	526	530	534	539	
Mortgage bankers and brokers .....	219.5	238.2	241.5	244.5	(1)	(1)	(1)	(1)	(1)	(1)	
Security and commodity brokers .....	527.2	551.1	554.7	555.1	529	547	549	552	556	558	
Holding and other investment offices .....	233.1	244.0	245.4	244.2	236	243	245	246	247	247	
Insurance .....	2,248	2,259	2,262	2,257	2,253	2,265	2,263	2,264	2,266	2,268	
Insurance carriers .....	1,543.1	1,546.6	1,548.6	1,544.9	1,547	1,554	1,551	1,550	1,552	1,549	
Insurance agents, brokers, and service .....	704.9	712.4	713.5	712.0	706	711	712	714	714	712	
Real estate .....	1,324	1,402	1,401	1,381	1,384	1,403	1,408	1,413	1,417	1,422	
<b>Services<sup>2</sup></b> .....	32,965	34,793	34,736	34,277	33,694	34,607	34,709	34,780	34,880	35,047	
Agricultural services .....	500.4	623.1	570.7	526.4	593	617	621	628	620	630	
Hotels and other lodging places .....	1,552.7	1,629.4	1,630.4	1,601.3	1,652	1,686	1,690	1,692	1,702	1,713	
Personal services .....	1,210.0	1,151.6	1,154.1	1,232.6	1,170	1,182	1,184	1,185	1,191	1,187	
Business services .....	6,760.5	7,402.5	7,361.5	7,197.8	6,942	7,287	7,322	7,285	7,321	7,291	
Services to buildings .....	870.9	867.0	881.1	862.7	883	891	894	885	885	873	
Personnel supply services .....	2,368.8	2,772.9	2,741.0	2,589.8	2,510	2,691	2,697	2,672	2,684	2,772	
Help supply services .....	2,090.1	2,454.8	2,422.5	2,286.6	2,216	2,387	2,391	2,362	2,373	2,455	
Computer and data processing services .....	1,139.1	1,252.4	1,260.9	1,276.9	1,140	1,226	1,239	1,251	1,264	1,276	
Auto repair, services, and parking .....	1,038.0	1,118.8	1,125.2	1,119.7	1,051	1,108	1,117	1,121	1,130	1,134	
Miscellaneous repair services .....	353.1	368.4	368.5	363.7	358	367	366	370	370	369	
Motion pictures .....	508.0	527.2	539.6	531.5	513	539	536	530	538	535	
Amusement and recreation services .....	1,274.5	1,390.4	1,397.9	1,348.3	1,490	1,522	1,534	1,545	1,563	1,575	
Health services .....	9,997.1	9,974.3	9,993.5	9,992.7	9,427	9,621	9,642	9,656	9,660	9,723	
Offices and clinics of medical doctors .....	1,632.5	1,694.7	1,705.2	1,708.2	1,638	1,686	1,689	1,694	1,699	1,717	
Nursing and personal care facilities .....	1,711.4	1,761.8	1,763.2	1,757.3	1,718	1,751	1,754	1,757	1,760	1,763	
Hospitals .....	3,817.7	3,873.6	3,878.9	3,885.6	3,822	3,883	3,869	3,875	3,879	3,891	
Home health care services .....	640.0	670.0	667.1	661.5	648	661	663	666	665	666	
Legal services .....	913.0	939.0	940.1	938.1	926	934	937	941	942	941	
Educational services .....	1,929.8	2,182.6	2,132.5	1,985.4	1,969	2,005	2,015	2,025	2,023	2,022	
Social services .....	2,347.3	2,430.0	2,425.8	2,413.9	2,382	2,410	2,416	2,420	2,416	2,427	
Child day care services .....	570.7	594.8	590.2	587.6	567	575	580	579	578	582	
Residential care .....	647.8	673.4	675.1	674.4	651	672	673	675	678	678	
Museums and botanical and zoological gardens .....	75.0	83.7	84.1	79.3	83	85	85	86	87	87	
Membership organizations .....	2,099.3	2,140.7	2,141.6	2,116.9	2,135	2,150	2,151	2,152	2,153	2,153	
Engineering and management services .....	2,805.9	2,931.8	2,936.2	2,836.7	2,835	2,921	2,930	2,941	2,951	2,966	
Engineering and architectural services .....	313.0	359.5	356.1	333.6	325	353	354	359	359	363	
Management and public relations .....	859.0	933.8	937.8	931.6	873	917	922	935	942	945	
Services, nec .....	43.9	45.9	46.1	46.0	(3)	(3)	(3)	(3)	(3)	(3)	
<b>Government</b> .....	19,268	19,985	19,898	19,479	19,336	19,519	19,509	19,497	19,534	19,555	
Federal .....	12,781	12,719	12,756	12,704	12,763	12,739	12,731	12,733	12,729	12,726	
Federal, except Postal Service .....	1,906.6	1,858.8	1,854.8	1,843.1	1,930	1,893	1,878	1,873	1,870	1,866	
State .....	4,559	4,784	4,730	4,584	4,625	4,658	4,640	4,640	4,647	4,641	
Education .....	1,890.0	1,214.8	2,077.7	1,927.5	1,933	1,975	1,960	1,960	1,967	1,960	
Other State government .....	2,668.3	2,659.2	2,652.6	2,656.9	2,692	2,683	2,680	2,680	2,680	2,681	
Local .....	11,948	12,482	12,410	12,181	11,928	12,122	12,137	12,124	12,158	12,188	
Education .....	6,794.8	7,157.2	7,145.8	6,961.7	6,846	6,787	6,794	6,798	6,800	6,825	
Other local government .....	5,152.7	5,324.6	5,263.8	5,220.6	5,282	5,335	5,343	5,326	5,355	5,363	

<sup>1</sup> This series is not suitable for seasonal adjustment because it has very little seasonal and irregular movement. Thus, the not seasonally adjusted series can be used for analysis of cyclical and long-term

<sup>2</sup> This series is not published seasonally adjusted because the seasonal component, which is small relative to the irregular and irregular components, cannot be separated with sufficient precision.

## ESTABLISHMENT DATA

## ESTABLISHMENT DATA

Table B-2. Average weekly hours of production or nonsupervisory workers<sup>1</sup> on private nonfarm payrolls by industry

Industry	Not seasonally adjusted				Seasonally adjusted					
	Jan. 1996	Nov. 1996	Dec. 1996P	Jan. 1997P	Jan. 1996	Sept. 1996	Oct. 1996	Nov. 1996	Dec. 1996P	Jan. 1997P
Total private .....	33.4	34.5	34.9	33.9	33.8	34.7	34.3	34.6	34.8	34.1
Goods-producing .....	39.2	41.4	41.8	40.4	39.7	41.0	41.0	41.1	41.3	40.8
Mining .....	43.8	45.5	46.1	44.3	44.1	45.4	45.4	44.8	45.8	44.4
Construction .....	36.7	38.8	38.5	36.3	38.2	38.8	38.8	38.9	38.8	37.8
Manufacturing .....	39.8	42.1	42.8	41.5	40.0	41.7	41.7	41.7	42.0	41.7
Overtime hours .....	4.0	4.8	5.1	4.4	4.1	4.5	4.4	4.5	4.6	4.6
Durable goods .....	40.9	42.9	43.7	42.2	40.9	42.5	42.4	42.4	42.8	42.4
Overtime hours .....	4.3	5.1	5.5	4.7	4.4	4.8	4.7	4.7	4.9	4.9
Lumber and wood products .....	36.6	41.0	41.1	39.4	39.1	40.9	40.9	41.0	40.9	40.2
Furniture and fixtures .....	35.8	40.4	41.8	39.5	35.7	39.5	39.5	39.8	40.3	39.9
Stone, clay, and glass products .....	40.9	43.5	43.2	40.7	42.1	43.2	43.3	43.2	43.5	42.1
Primary metal industries .....	43.4	44.5	45.3	44.8	43.2	44.5	44.4	44.1	44.6	44.5
Blast furnaces and basic steel products .....	44.3	45.1	45.4	45.1	44.3	44.4	44.6	44.7	44.9	45.2
Fabricated metal products .....	40.9	42.9	43.7	42.1	41.0	42.4	42.4	42.3	42.6	42.1
Industrial machinery and equipment .....	42.3	43.3	44.5	43.3	42.1	43.0	42.9	43.0	43.3	43.1
Electronic and other electrical equipment .....	40.4	42.1	43.0	41.4	40.3	41.6	41.5	41.4	41.9	41.3
Transportation equipment .....	42.3	44.5	45.6	44.4	42.4	44.3	43.9	44.1	44.6	44.8
Motor vehicles and equipment .....	43.4	45.2	46.5	45.4	43.3	45.2	44.7	44.6	45.1	45.8
Instruments and related products .....	40.4	42.2	43.0	41.7	40.2	41.9	41.7	41.8	42.0	41.6
Miscellaneous manufacturing .....	37.6	40.7	40.9	39.5	37.7	39.8	39.8	40.0	40.4	39.9
Nondurable goods .....	38.4	41.2	41.6	40.5	38.7	40.7	40.6	40.7	41.0	40.6
Overtime hours .....	3.5	4.4	4.5	4.1	3.8	4.1	4.1	4.1	4.3	4.3
Food and kindred products .....	39.3	41.8	42.1	40.7	39.9	41.0	41.1	41.2	41.5	41.0
Tobacco products .....	35.8	41.2	42.1	39.0	38.4	40.3	39.9	40.6	41.8	39.2
Textile mill products .....	36.0	41.6	41.9	40.9	36.1	40.9	40.9	41.3	41.6	41.1
Apparel and other textile products .....	33.3	37.7	38.0	37.0	33.5	37.3	37.4	37.4	37.5	37.2
Paper and allied products .....	41.7	44.1	44.5	43.5	41.5	43.5	43.4	43.6	43.7	43.4
Printing and publishing .....	36.7	38.7	39.0	37.7	37.2	38.3	38.2	38.2	38.4	38.1
Chemicals and allied products .....	42.4	43.7	44.4	43.8	42.5	43.1	43.2	43.3	43.6	43.6
Petroleum and coal products .....	43.1	44.0	43.9	46.7	(2)	(2)	(2)	(2)	(2)	(2)
Rubber and misc. plastics products .....	40.3	41.6	42.6	41.3	40.3	41.6	41.5	41.2	41.8	41.1
Leather and leather products .....	34.6	39.3	39.3	37.5	34.8	38.8	39.4	39.0	38.9	37.8
Service-producing .....	31.9	32.6	33.1	32.2	32.2	33.0	32.6	32.8	33.0	32.4
Transportation and public utilities .....	38.5	39.9	40.0	39.1	38.8	40.1	39.6	39.9	40.0	39.4
Wholesale trade .....	37.6	38.3	38.7	37.8	37.8	38.5	38.1	38.3	38.6	38.0
Retail trade .....	27.5	28.7	29.3	27.9	28.3	28.9	28.7	29.0	28.9	28.6
Finance, insurance, and real estate .....	35.5	35.8	36.7	35.6	(2)	(2)	(2)	(2)	(2)	(2)
Services .....	31.8	32.4	32.7	32.0	(2)	(2)	(2)	(2)	(2)	(2)

<sup>1</sup> Data relate to production workers in mining and manufacturing; construction workers in construction; and nonsupervisory workers in transportation and public utilities; wholesale and retail trade; finance, insurance, and real estate; and services. These groups account for approximately four-fifths of the total employees on private nonfarm

payrolls.

<sup>2</sup> These series are not published seasonally adjusted because the seasonal component, which is small relative to the trend-cycle and irregular components, cannot be separated with sufficient precision.

P = preliminary.

## ESTABLISHMENT DATA

## ESTABLISHMENT DATA

Table B-3. Average hourly and weekly earnings of production or nonsupervisory workers<sup>1</sup> on private nonfarm payrolls by industry

Industry	Average hourly earnings				Average weekly earnings			
	Jan. 1996	Nov. 1996	Dec. 1996P	Jan. 1997P	Jan. 1996	Nov. 1996	Dec. 1996P	Jan. 1997P
Total private .....	\$11.71	\$12.01	\$12.06	\$12.12	\$391.11	\$414.35	\$420.89	\$410.87
Seasonally adjusted .....	11.62	11.99	12.05	12.06	392.76	414.85	419.34	411.25
Goods-producing .....	13.27	13.63	13.73	13.69	520.18	564.28	573.91	553.08
Mining .....	15.83	15.86	15.93	16.18	694.59	712.53	734.37	716.77
Construction .....	15.24	15.59	15.64	15.69	559.31	604.89	602.14	589.55
Manufacturing .....	12.66	12.93	13.08	13.07	503.87	544.35	559.82	542.41
Durable goods .....	13.18	13.49	13.65	13.64	538.06	578.72	596.51	575.61
Lumber and wood products .....	10.28	10.57	10.61	10.59	398.81	433.37	436.07	417.25
Furniture and fixtures .....	10.00	10.26	10.41	10.39	358.00	415.31	433.06	410.41
Stone, clay, and glass products .....	12.60	12.95	12.95	13.04	515.34	563.33	559.44	530.73
Primary metal industries .....	14.85	15.19	15.16	15.19	644.49	675.96	686.75	677.47
Blast furnaces and basic steel products .....	17.86	18.11	17.95	17.78	782.34	816.76	814.33	801.88
Fabricated metal products .....	12.35	12.58	12.76	12.73	505.12	539.68	557.61	535.93
Industrial machinery and equipment .....	13.45	13.81	13.89	13.94	569.93	597.97	627.86	603.60
Electronic and other electrical equipment .....	11.95	12.35	12.52	12.48	482.78	519.94	538.36	516.67
Transportation equipment .....	16.92	17.38	17.62	17.53	715.72	773.41	803.47	778.33
Motor vehicles and equipment .....	17.48	17.93	18.20	18.10	758.83	810.44	846.30	821.74
Instruments and related products .....	12.99	13.33	13.41	13.45	524.80	562.53	576.63	560.67
Miscellaneous manufacturing .....	10.32	10.54	10.52	10.59	388.03	428.98	434.36	418.31
Nondurable goods .....	11.92	12.12	12.25	12.20	457.73	499.34	509.60	495.32
Food and kindred products .....	11.09	11.41	11.48	11.41	435.84	478.94	485.31	484.39
Tobacco products .....	18.51	18.88	18.92	18.92	662.66	777.86	796.53	737.88
Textile mill products .....	9.56	9.76	9.90	9.90	344.16	408.02	414.81	404.91
Apparel and other textile products .....	7.87	8.01	8.14	8.12	262.07	301.98	308.32	300.44
Paper and allied products .....	14.59	14.87	14.96	14.87	608.40	655.77	665.72	648.85
Printing and publishing .....	12.48	12.82	12.91	12.91	458.02	496.13	503.49	488.71
Chemicals and allied products .....	16.10	16.41	16.50	16.38	622.64	711.12	732.60	714.17
Petroleum and coal products .....	19.40	19.59	20.25	20.46	836.14	861.96	888.98	855.48
Rubber and misc. plastics products .....	11.12	11.33	11.51	11.47	448.14	471.33	490.33	473.71
Leather and leather products .....	8.51	8.74	8.88	8.89	294.45	343.48	348.20	333.38
Service-producing .....	11.20	11.46	11.51	11.61	357.28	373.60	380.98	373.84
Transportation and public utilities .....	14.45	14.62	14.67	14.76	556.33	583.34	586.80	577.12
Wholesale trade .....	12.65	13.03	13.19	13.15	475.84	499.05	510.45	497.07
Retail trade .....	7.89	8.13	8.14	8.22	216.98	233.33	238.50	229.34
Finance, insurance, and real estate .....	12.62	12.98	13.04	13.04	448.01	464.68	478.57	464.22
Services .....	11.73	12.05	12.17	12.21	373.01	390.42	397.96	390.72

<sup>1</sup> See footnote 1, table B-2.

P = preliminary.

## ESTABLISHMENT DATA

## ESTABLISHMENT DATA

Table B-4. Average hourly earnings of production or nonsupervisory workers<sup>1</sup> on private nonfarm payrolls by industry, seasonally adjusted

Industry	Jan. 1996	Sept. 1996	Oct. 1996	Nov. 1996	Dec. 1996P	Jan. 1997P	Percent change from: Dec. 1996-Jan. 1997
<b>Total private:</b>							
Current dollars .....	\$11.62	\$11.91	\$11.90	\$11.99	\$12.05	\$12.06	0.1
Constant (1982) dollars <sup>2</sup> .....	7.41	7.45	7.42	7.45	7.47	N.A.	(3)
<b>Goods-producing .....</b>	<b>13.30</b>	<b>13.56</b>	<b>13.57</b>	<b>13.62</b>	<b>13.70</b>	<b>13.75</b>	<b>.4</b>
Mining .....	15.48	15.67	15.65	15.76	15.89	16.03	.9
Construction .....	15.25	15.53	15.55	15.55	15.67	15.71	.3
Manufacturing .....	12.63	12.67	12.68	12.94	13.00	13.06	.5
Excluding overtime <sup>4</sup> .....	12.00	12.21	12.21	12.27	12.30	12.36	.5
<b>Service-producing .....</b>	<b>11.06</b>	<b>11.36</b>	<b>11.35</b>	<b>11.45</b>	<b>11.60</b>	<b>11.90</b>	<b>.0</b>
Transportation and public utilities .....	14.39	14.59	14.50	14.59	14.62	14.76	1.0
Wholesale trade .....	12.36	12.99	12.81	13.05	13.18	13.06	-.8
Retail trade .....	7.83	8.01	8.09	8.13	8.15	8.17	.2
Finance, insurance, and real estate .....	12.55	12.92	12.88	13.02	13.02	12.99	-.2
Services .....	11.59	11.89	11.90	12.02	12.07	12.07	.0

<sup>1</sup> See footnote 1, table B-2.<sup>2</sup> The Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) is used to deflate this series.<sup>3</sup> Change was .3 percent from November 1996 to

December 1996, the latest month available.

<sup>4</sup> Derived by assuming that overtime hours are paid at the rate of time and one-half.N.A. = not available.  
P = preliminary.

## ESTABLISHMENT DATA

## ESTABLISHMENT DATA

Table B-5. Indexes of aggregate weekly hours of production or nonsupervisory workers<sup>1</sup> on private nonfarm payrolls by industry (1982=100)

Industry	Not seasonally adjusted			Seasonally adjusted						
	Jan. 1996	Nov. 1996	Dec. 1996P	Jan. 1997P	Jan. 1996	Sept. 1996	Oct. 1996	Nov. 1996	Dec. 1996P	Jan. 1997P
Total private .....	127.7	138.8	140.8	133.0	131.7	138.0	137.1	138.2	139.3	137.0
Goods-producing .....	101.5	112.8	112.6	105.6	106.0	110.3	110.5	110.9	111.7	110.4
Mining .....	51.0	55.8	55.5	52.1	52.7	54.7	54.7	53.9	55.1	53.7
Construction .....	120.4	154.9	148.8	126.5	140.7	147.9	149.0	150.5	151.3	147.8
Manufacturing .....	100.9	107.5	109.1	104.8	102.0	105.9	105.9	106.1	106.9	106.2
Durable goods .....	103.4	109.8	112.1	107.5	104.1	108.3	108.2	108.4	109.4	108.7
Lumber and wood products .....	123.8	138.5	137.9	129.3	127.1	136.2	137.1	137.9	137.3	134.5
Furniture and fixtures .....	111.9	126.8	130.8	123.3	111.4	122.9	122.6	123.9	125.7	124.2
Stone, clay, and glass products .....	97.3	111.1	108.3	98.2	104.9	109.2	109.9	109.2	110.4	106.4
Primary metal industries .....	90.9	92.7	94.7	92.5	90.4	92.6	92.4	91.6	92.6	92.3
Blast furnaces and basic steel products .....	72.9	72.9	73.5	72.7	72.8	72.5	72.5	72.6	72.5	73.4
Fabricated metal products .....	109.5	117.8	119.8	114.5	110.2	115.3	115.5	115.4	116.1	115.0
Industrial machinery and equipment .....	101.9	103.8	107.4	104.7	101.2	102.7	102.8	103.2	104.2	104.2
Electronic and other electrical equipment .....	105.3	109.4	111.3	107.1	105.0	108.0	107.4	107.2	108.2	106.7
Transportation equipment .....	115.7	123.4	128.0	123.7	116.6	122.3	121.4	122.7	124.3	125.9
Motor vehicles and equipment .....	157.2	163.6	171.0	164.3	158.2	164.5	161.8	161.7	164.1	167.6
Instruments and related products .....	71.1	74.4	76.1	73.4	70.8	74.0	73.6	73.6	74.2	73.5
Miscellaneous manufacturing .....	55.1	105.7	104.9	100.3	97.2	101.1	101.1	102.0	103.8	104.0
Nondurable goods .....	97.4	104.4	104.9	101.0	99.3	102.6	102.7	102.8	103.5	102.6
Food and kindred products .....	105.6	115.5	114.8	109.3	111.0	111.8	112.4	113.2	114.6	113.7
Tobacco products .....	59.6	68.8	71.9	64.7	55.9	61.9	63.2	66.4	66.3	60.2
Textile mill products .....	80.2	92.5	92.9	90.3	80.8	90.9	91.3	91.3	92.3	91.2
Apparel and other textile products .....	68.7	75.4	74.8	71.4	70.1	74.9	74.8	74.3	74.1	72.9
Paper and allied products .....	104.9	110.5	111.5	108.7	105.0	108.8	108.8	109.3	109.3	109.0
Printing and publishing .....	118.6	125.1	126.4	120.4	120.5	123.0	122.8	122.8	122.2	121.9
Chemicals and allied products .....	99.5	100.2	101.4	99.5	100.2	99.2	99.2	99.4	99.6	99.9
Petroleum and coal products .....	70.5	75.8	73.0	75.9	73.9	75.1	73.4	74.8	75.5	79.2
Rubber and misc. plastics products .....	136.0	142.5	146.0	140.2	136.5	142.1	141.5	140.9	142.8	140.2
Leather and leather products .....	40.4	43.3	44.3	41.3	41.2	42.9	42.5	42.5	43.6	41.8
Service-producing .....	139.5	150.5	153.1	145.2	143.2	150.4	149.0	150.5	151.7	148.9
Transportation and public utilities .....	121.9	131.7	132.2	126.7	124.5	130.6	129.2	130.4	130.6	129.2
Wholesale trade .....	120.2	126.5	127.4	123.4	122.0	126.3	125.4	126.3	127.2	125.3
Retail trade .....	124.4	138.0	143.6	129.9	129.9	135.7	135.5	137.1	137.1	135.6
Finance, insurance, and real estate .....	122.0	126.4	129.9	125.6	122.2	129.6	125.0	127.6	130.7	125.4
Services .....	166.1	178.8	180.0	173.7	170.3	179.8	178.2	179.4	181.6	177.7

<sup>1</sup> See footnote 1, table B-2.

P = preliminary.

## ESTABLISHMENT DATA

## ESTABLISHMENT DATA

Table B-6. Diffusion indexes of employment change, seasonally adjusted

(Percent)

Time span	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
Private nonfarm payrolls, 356 industries <sup>1</sup>												
Over 1-month span:												
1993 .....	60.0	60.8	51.8	58.6	61.7	55.2	57.7	57.0	61.8	59.7	61.8	59.6
1994 .....	58.8	62.1	66.0	64.2	60.3	63.5	61.5	62.1	60.8	61.5	63.1	63.9
1995 .....	63.2	59.3	54.9	54.6	51.4	55.1	54.1	57.4	51.8	54.8	56.3	59.4
1996 .....	52.4	63.2	60.0	52.4	62.2	57.4	55.8	57.3	52.7	63.1	57.2	P58.6
1997 .....	P56.8											
Over 3-month span:												
1993 .....	63.8	61.2	61.1	59.8	63.1	62.9	59.7	63.1	64.5	67.1	64.6	63.5
1994 .....	67.1	69.5	70.4	68.7	66.4	66.0	68.5	69.5	65.3	65.8	68.0	67.8
1995 .....	66.6	63.2	56.9	53.4	54.2	52.9	56.6	53.8	54.2	54.6	58.3	57.0
1996 .....	60.7	61.8	61.2	60.0	61.0	63.6	60.3	56.7	60.8	60.0	P65.9	P61.8
1997 .....												
Over 6-month span:												
1993 .....	63.3	65.2	63.8	64.2	62.4	65.9	65.7	63.9	66.3	67.3	70.6	69.5
1994 .....	70.8	71.8	69.0	69.8	69.5	69.5	69.2	69.0	69.2	69.5	69.1	66.6
1995 .....	66.3	60.8	52.7	54.4	53.5	54.1	53.1	56.3	55.9	54.1	56.2	61.8
1996 .....	60.3	62.9	63.8	63.8	62.6	59.0	65.2	62.6	P62.4	P64.0		
1997 .....												
Over 12-month span:												
1993 .....	64.9	63.9	64.0	65.4	67.0	67.6	67.6	67.0	70.2	69.5	69.2	70.1
1994 .....	70.2	71.6	71.8	71.8	72.1	71.8	71.5	72.1	70.1	69.4	65.7	65.0
1995 .....	62.6	60.8	60.1	61.2	58.1	57.7	54.5	58.7	58.6	57.3	59.4	59.8
1996 .....	61.0	61.7	61.5	61.1	62.8	P65.2	P63.9					
1997 .....												
Manufacturing payrolls, 139 industries <sup>1</sup>												
Over 1-month span:												
1993 .....	52.5	56.5	50.7	45.7	54.0	45.7	49.3	49.3	59.4	53.2	53.6	55.0
1994 .....	56.5	60.1	59.7	58.6	53.2	57.9	57.5	53.6	55.8	54.7	57.2	59.4
1995 .....	56.8	55.0	46.0	45.3	39.2	40.3	45.0	45.0	42.4	45.3	46.4	47.5
1996 .....	42.1	48.2	48.2	39.6	53.2	49.6	43.9	50.0	44.6	54.3	48.2	P55.0
1997 .....	P49.3											
Over 3-month span:												
1993 .....	60.8	59.3	53.2	47.8	48.9	54.0	50.4	58.3	57.6	59.7	54.7	57.8
1994 .....	63.7	64.4	66.2	60.8	56.1	56.8	60.8	58.6	54.0	56.1	60.1	60.8
1995 .....	60.4	51.8	43.5	34.9	33.1	32.0	33.1	35.6	38.8	39.6	40.6	38.8
1996 .....	38.8	39.9	37.8	43.2	45.3	47.5	45.7	40.6	50.7	47.1	P54.7	P49.3
1997 .....												
Over 6-month span:												
1993 .....	56.5	59.0	56.8	55.4	50.7	57.9	59.4	56.5	57.6	58.6	64.4	60.8
1994 .....	62.2	64.4	60.4	61.5	59.0	56.8	56.5	57.2	60.1	55.8	59.7	55.8
1995 .....	55.4	45.0	38.5	33.5	27.7	28.8	28.8	30.6	33.5	33.1	34.2	38.8
1996 .....	32.0	37.4	37.1	38.1	42.4	37.8	48.6	43.5	P46.0	P50.7		
1997 .....												
Over 12-month span:												
1993 .....	56.8	57.9	55.8	58.6	57.2	57.6	56.6	59.0	61.2	59.7	60.1	57.6
1994 .....	57.9	58.6	60.8	60.8	60.8	63.3	59.4	60.1	57.2	55.8	49.6	47.5
1995 .....	42.1	40.3	39.9	40.6	34.5	31.7	25.9	28.6	28.1	24.1	27.0	29.1
1996 .....	33.1	33.1	33.8	35.6	37.1	P42.6	P40.3					
1997 .....												

<sup>1</sup> Based on seasonally adjusted data for 1-, 3-, and 6-month spans and unadjusted data for the 12-month span. Data are centered within the span.

P = preliminary.

NOTE: Figures are the percent of industries with employment increasing plus one-half of the industries with unchanged employment, where 50 percent indicates an equal balance between industries with increasing and decreasing employment.

FEB 26 1997

Honorable Jeff Bingaman  
United States Senate  
Washington, D.C. 20510

Dear Senator Bingaman:

I am writing in response to the questions on pension and health coverage that you raised at the February 7 hearing of the Joint Economic Committee.

The overall incidence of employer-provided pension coverage has remained relatively stable in recent years. Data from the Bureau of Labor Statistics' Employee Benefits Survey (EBS) show that the proportion of full-time employees in medium and large private establishments who have some type of retirement plan (in which the employer pays at least part of the cost) was 78 percent in 1993 (the most recent estimate available); it had been 80 percent in 1988.

These aggregate figures obscure some important changes in the mix of plans offered by employers. Over time, defined-contribution plans have become increasingly prevalent, at the expense of defined-benefit plans. Defined-benefit plans, the "traditional" pension plan in medium and large firms, obligate an employer to provide retirement benefits calculated according to a formula specified in the plan. In the private sector, the employer usually pays the full cost of defined benefit plans. Defined-contribution plans, on the other hand, generally specify the level of employer contributions to the plan, but not the formula for determining eventual benefits. In contrast to those in defined benefit plans, most covered employees contribute to their defined contribution plans. Moreover, workers in a defined contribution plan bear the risk of fluctuations in investment earnings. Between 1988 and 1993, the share of full-time employees enrolled in defined benefit plans declined from 63 percent to 56 percent, while the share in defined contribution plans rose from 45 percent to 49 percent. (Some workers participate in both types of plans.) A copy of the latest EBS report on medium and large private firms is enclosed. Summary data on participation in retirement plans are shown in tables 1 and 2.

Honorable Jeff Bingaman-2

FEB 26 1997

The findings from the EBS are corroborated by information produced by the Pension and Welfare Benefits Administration (PWBA) based on reports filed with the Internal Revenue Service by employers offering pension plans. PWBA data show a steady decline in the share of wage and salary workers participating in defined benefit plans and a rise in the proportion covered by defined contribution plans. (See the enclosed table F4 from the most recent PWBA report.) The coverage rates reported by the PWBA are much lower than those in the EBS data because the PWBA includes in its universe a number of groups who usually are not covered by employer-provided pensions, including part-time workers, employees of small firms, and even the unemployed.

Turning to health insurance, the proportion of the population with coverage from a private or government source has edged down in recent years, from 87.1 percent in 1987 to 84.6 percent in 1995, based on data collected each March through the Current Population Survey, the monthly survey of households. The data also indicate that there has been a shift away from coverage by private health plans towards coverage by government-provided programs, including Medicare and Medicaid. (Data from the 1996 Annual Statistical Supplement to the Social Security Bulletin indicate that the number of Medicaid recipients grew far more rapidly than the number of Medicare enrollees over the period.) Minorities were significantly less likely to be covered by any form of health insurance; 21 percent of blacks and 33 percent of Hispanics had no coverage under any plan in 1995, compared with only 14 percent of whites.

As I noted at the hearing, employer costs for health care benefits have increased very modestly in recent years. According to the BLS Employment Cost Index, employers' costs for health insurance were virtually unchanged in both 1995 and 1996, compared with increases of about 11 percent per year in 1990 and 1991. Employer expenditures for health care benefits accounted for 22 percent of total benefit costs and 6 percent of total compensation costs for private firms in 1995. I have enclosed a copy of the 1995 Report on the American Workforce, Chapter 3 of which discusses employer health care costs and coverage in some detail. Data on trends in health care costs are provided on pages 102-115 and 127-131.

Honorable Jeff Bingaman-3  
FEB 26 1997

I hope this information is helpful to you. If any clarification or additional information is needed, please let me know.

Sincerely yours,

KATHARINE G. ABRAHAM  
Commissioner

Enclosures

OEUS/DLFS/Rones/lw 606-6373

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cc: Comm. R.F., Gen. R.F., Exec. Sec., Abraham, Rones,  
Cohany, RF, Chron File

FEB 26 1997

Honorable Jeff Sessions  
United States Senate  
Washington, D.C. 20510

Dear Senator Sessions:

I am writing in response to the questions you raised at the February 7 session of the Joint Economic Committee concerning recent trends in family income and the income sources that are included (or excluded) from government survey data.

Measures of family income are based on data that are collected every year in March by a special supplement to the Current Population Survey (CPS). The Bureau of the Census, which is responsible for the collection and analysis of these income data, has published the most recent information from this survey in its report, Money Income in the United States: 1995. The enclosed chart, which is based on data contained in the report, shows the trends for the two measures of average family income most commonly used, median income and mean income. These measures are expressed in real (inflation adjusted) dollars, using the Consumer Price Index (CPI-U-X1) to adjust for inflation.

As can be seen, real median family income (half the families have income below this value and half above) was about the same in 1995 (\$40,611) as it had been in 1979 (\$40,339), although there was some up and down movement in this measure during the intervening 16-year period. (The measure fell to \$37,356 in 1982 and rose to a peak of \$42,049 in 1989.)

In contrast, real mean income, which is the average of the incomes of all families, has risen gradually over the period, from \$45,959 in 1979 to \$51,353 in 1995. Underlying this growth, the proportion of families with high incomes (\$75,000 or more per year) rose from 14 percent in 1979 to 19 percent in 1995.

You also asked whether a child tax credit, such as that the President recently proposed, would raise our measures of family income. As Philip Rones responded at the hearing, such a credit would not affect the income figures reported by the Census Bureau. The annual income questions in that survey ask specifically for amounts *before taxes*. Thus, a tax credit that had the effect of reducing an individual's tax liability would not be reported to the CPS interviewers, and not counted as income.

Honorable Jeff Sessions--2

FEB 26 1997

A refundable tax credit, like the current Earned Income Tax Credit (EITC) would be treated somewhat differently. The EITC makes some low income families with no Federal income tax liability eligible for payments from the government, and thus, in principle, adds to their incomes under the CPS concept. If a law implementing a child tax credit were written so that families could use it to receive a "negative tax," as with the EITC, that credit also would, in theory, raise their CPS incomes. The survey, however, does not currently ask specifically about such sources of income; although EITC payments sometimes are reported under the "any other income" category, the Bureau of the Census believes that they most commonly are not. The BLS and Bureau of the Census currently are reviewing all of the questions asked in the March CPS as part of a planned redesign of the income supplement.

The Bureau of the Census does attempt to estimate income under different definitions, including after-tax income, through modeling procedures. The enclosed table 12, from the most recent Bureau of the Census income report, provides estimates of after-tax income without EITC payments and with EITC payments included (see columns 1a and 1b, respectively). Note, for example, that the EITC raised the median 1995 after-tax household income from \$29,093 to \$29,219. If the tax law is modified to include a child tax credit, and if the Bureau of the Census can obtain from the Internal Revenue Service the information needed to estimate the effect of a child tax credit on its various measures of income, it will do so.

I hope this information will be useful to you. If you should have any further questions, please let me know.

Sincerely yours,

KATHARINE G. ABRAHAM  
Commissioner

Enclosures

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